

Evaluating New Income Management in the Northern Territory: First Evaluation Report

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GLOSSARY

ABS	Australian Bureau of Statistics
AIFS	Australian Institute of Family Studies
AIHW	Australian Institute of Health and Welfare
ALPA	Arnhem Land Progress Aboriginal Corporation
ALRA	Aboriginal Land Rights (Northern Territory) Act 1976 (Cwth)
ANU	Australian National University
APE	Age Pension Eligibility age
ATM	Automatic Teller Machine
CAALAS	Central Australian Aboriginal Legal Aid Service
CAEPR	Centre for Aboriginal Economic Policy Research
CDEP	Community Development Employment Projects
CIM	Compulsory Income Management
CLC	Central Lands Council
CPIM	Child Protection Income Management
DCF	Northern Territory Department of Children and Families
DEEWR	Australian Government Department of Education, Employment and Workplace Relations
DET	Northern Territory Department of Education and Training
DSP	Disability Support Pension
EFTPOS	Electronic Funds Transfer Point of Sale
ESB	English Speaking Background
FaHCSIA	Australian Government Department of Families, Housing and Community Services and Indigenous Affairs
FMP	Financial Management Program
FTB	Family Tax Benefit
IM	Income Management
IS	Income Support
IS/FTB	Income Support/Family Tax Benefit
LSNIM	Longitudinal Survey of New Income Management
MSP	Matched Savings Scheme (Income Management) Payment
NAAJA	North Australian Aboriginal Justice Agency
NAPLAN	National Assessment Program - Literacy and Numeracy
NESB	Non-English Speaking Background
NGO	Non Government Organisation
NIM	New Income Management
NPY	Ngaanyatjarra Pitjantjatjara Yankunytjatjara

NT	Northern Territory
NTCOSS	NT Council of Social Service
NTER	Northern Territory Emergency Response
NTER IM	Income management under the Northern Territory Emergency Response
SEAM	Improving School Enrolment and Attendance through Welfare Reform Measure
SPRC	Social Policy Research Centre
UNSW	University of New South Wales
VIM	Voluntary Income Management
VULIM	Vulnerable Income Management (Vulnerable Welfare Payment Recipients Measure)
WfD	Work for the Dole

EXECUTIVE SUMMARY

Background

Income management (IM) was first introduced in 2007 as part of the Northern Territory Emergency Response (NTER). The program involves 'quarantining' a portion of a person's income support payment and restricting how this can be spent. Income management under the NTER applied to people who lived in 73 prescribed Indigenous communities, their associated outstations and the 10 town camp regions of the Northern Territory (NT). In August 2010 NTER IM was replaced with a new form of income management – New Income Management (NIM).

NIM consists of four streams: the Compulsory Income Management (CIM) measure which is targeted at long-term income support recipients of working age; the Vulnerable Welfare Payment Recipients Measure, generally referred to here as 'Vulnerable Income Management' (VULIM), for those not subject to Compulsory Income Management and who are determined by Centrelink to be vulnerable; the Child Protection Income Management (CPIM) measure for people who come in contact with child protection authorities and whom child protection authorities assess would benefit from income management; and the Voluntary Income Management (VIM) measure which is for people not subject to any of the above forms of income management but wish to participate in the program. An incentive payment is made to those who choose to participate in Voluntary Income Management.

Under all income management measures, other than the child protection stream, 50 per cent of a person's income support payment is subject to income management. In the case of a person placed on child protection income management the proportion is 70 per cent. There are no restrictions placed on how the person chooses to spend the balance of their payment. The proportion of payment subject to income management is either allocated to a 'BasicsCard', a specific type of EFTPOS debit card which can be used at approved merchants for the purchase of non-excluded products, or payments are made on the person's behalf by Centrelink.

NIM differs from the income management introduced under the NTER in several respects. First, it covers all areas of the Northern Territory not only prescribed Indigenous communities. Second it applies in a mandatory fashion to a narrower range of income support recipients and has scope for people to obtain exemptions. Thirdly it provides an option to participate voluntarily (Voluntary Income Management).

Unlike the income management under the NTER which applied to all income support recipients in prescribed areas, Compulsory Income Management is only mandatory for longer term recipients of income support on a limited set of payments (mainly Newstart Allowance, Youth Allowance and Parenting

Payment), as well as those identified under the vulnerable and child protection stream.

The changes to income management were designed to allow income management to be implemented in a way that allowed for the restoration of the *Racial Discrimination Act 1975 (Cwth)*, which had been suspended as part of the NTER.

While income management is also being implemented as a trial in a number of other locations these programs differ from NIM in that they involve targeted compulsory and voluntary options without the broader mandatory element.

The introduction of NIM has been accompanied by a boost in funding for financial counselling and the provision of money management services to improve financial literacy and people's ability to manage money, and a Matched Savings Payment.¹

Income management is designed to ensure that income support payments are used in the first instance to meet basic needs for individuals and their children. It seeks to limit expenditure of income support payments on alcohol, tobacco, pornography and gambling, and to provide a tool to stabilise people's circumstances, ease immediate financial stress and limit financial harassment.

This is also expected to result in other benefits for children, parents and the broader community, including reductions in alcohol related violence, substance abuse, and risky behaviour. As a consequence of better spending on children, there may be improvements in positive health behaviours and improved educational attendance, which in turn could lead to improved educational outcomes.

These changes are expected to occur as a result of the combination of three interacting interventions:

- income management, which is intended to act as a stimulus for people to change, to force immediate changes in spending to meet basic needs, and reduce financial harassment
- exemptions and matched savings, which provide the incentives for people to change behaviour
- financial counselling and money management services, which are designed to enhance the capacity of people to manage their money.

Combined, these components of the program are intended to reinforce responsible parenting and more generally promote principles of engagement, participation and personal responsibility.

This is expected to occur at the individual level and flow on more broadly within communities. NIM is only one of a number of initiatives that are being implemented in the Northern Territory. Others include ongoing programs under the NTER, including health and housing interventions, improved policing, family

¹ The full title of the program is the Matched Savings Scheme (Income Management) Payment (MSP).

support, and programs directed at improving school attendance such as through suspending parents' income support payments.

In May 2010, the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) commissioned a consortium consisting of the Social Policy Research Centre (University of New South Wales), the Australian National University and the Australian Institute of Family Studies to evaluate the impact of NIM. This is the first evaluation report and considers how effectively the measure was rolled out; how the transition from the NTER IM to NIM was managed; and initial data on the impacts of NIM. It covers the initial implementation period and the first 12 months after full implementation. While the evaluation will continue to 2014, the data collected to date allows some clear initial findings to be made.

The evaluation has involved extensive data analysis including a survey of over 800 people in the Northern Territory who are on income management and a comparison group of income support recipients outside of the Northern Territory, as well as detailed Centrelink administrative data. We have also undertaken extensive interviews with Centrelink staff, those involved in providing money management and financial counselling services, child protection workers, merchants in the Northern Territory, as well as people who are subject to income management. In much of our evaluation, data from all three sources has been used to 'triangulate' or verify findings.

The one dimension of the evaluation which has not been considered at this stage is the economic evaluation of the program. FaHCSIA have sought to have this undertaken in the later stages of the evaluation when they consider there will be a better appreciation of the full costs of program implementation as well as the breakdown of costs between establishment and operation.

Findings

Overview of those subject to NIM

- In October 2011 there were 16 393 people in the Northern Territory who were subject to income management. The majority were on Compulsory Income Management (11 960), whilst a substantial number were on Voluntary Income Management (4 190). There were 198 individuals on Vulnerable Income Management and 45 subject to Child Protection Income Management.
- Overall, 91 per cent of those subject to income management are Indigenous. The proportion of Northern Territory Indigenous income support recipients that don't qualify for the Age Pension but who are subject to NIM is around 64 per cent. The equivalent figure for the Northern Territory non-Indigenous population is 18 per cent.
- Almost all of those on Voluntary or subject to Vulnerable or Child Protection Income Management are Indigenous.
- The population subject to income management is more likely to be female - 61 per cent. Thirty-eight per cent were parents with children (19 per cent were couples with dependent children and 19 per cent were single parents).

- A high proportion of those subject to income management report that they and their families do not have substantial problems as a result of alcohol, drugs or gambling.

Transition from NTER IM to NIM

- Over two-thirds of people who were on NTER IM in July 2010 were on NIM in October 2011 — 44 per cent were on Compulsory Income Management, 24 per cent on Voluntary Income Management, 0.2 per cent on Child Protection Income Management and 1 per cent on Vulnerable Income Management.
- Sixteen per cent were in receipt of an income support payment but were not subject to income management, and another sixteen per cent were no longer in receipt of an income support payment.

Impacts of income management

- There are few, if any, strong and consistent impacts of NIM; rather, there have been diverse outcomes. This is reflected in the wide and inconsistent range of views and experiences of income management.
- For some people, income management has had a positive impact on their lives and many wish to remain on the program. There is evidence that for some people income management has reduced, to a limited degree, adverse outcomes from financial harassment.
- Amongst Indigenous people on income management, there was a statistically significant perception of an improvement in their ability to afford food. Relative to the control group there was no reduction in the extent to which they reported running out of money for food.
- Many people subject to income management reported that it makes little practical difference to their lives.
- In some cases, people subject to income management see a mix of both positive and negative aspects, for example valuing the BasicsCard but resenting the associated loss of autonomy.
- For others, being subject to income management is experienced as restrictive and frustrating, making their lives more difficult and complicated and in some cases limiting their ability to fully engage in community life.
- Indigenous people subject to income management report strong perceptions of improvements in the wellbeing of children in their community, especially those living in NTER prescribed areas. However, such perceptions do not necessarily line up with objective data where it is possible to test this. Caution is needed in attributing these perceived improvements specifically to income management, given the other major policy changes associated with the NTER and the substantial additional resources spent in the Northern Territory in other policy areas since the NTER commenced.
- For many there is a strong sense of having been treated unfairly and being disempowered. Only a quarter of people subject to income management who were surveyed said that they never felt a sense of unfairness.

- Generally non-Indigenous people subject to income management are more negative about the program than Indigenous people, and a higher proportion believe that income management has made no difference or has been harmful to them and their families.
- At this stage the introduction of NIM has not had an impact on the time people spend on income support.
- The evidence at this stage is that the majority of Indigenous people, in particular, subject to income management will remain income managed for an extended period of time with the rate of exit from income management for most subgroups being quite low. Around half of the non-Indigenous people subject to income management however exit within a year.
- There is little evidence to date that income management is resulting in widespread behaviour change, either with respect to building an ability to effectively manage money or in building 'socially responsible behaviour' beyond the direct impact of limiting the amount that can be spent on some items. As such, the early indications are that income management operates more as a control or protective mechanism than as an intervention which increases capabilities.

Compulsory Income Management (CIM)

- As noted above, there is some evidence that income management may to a limited degree, in the short-term, assist some of those people experiencing adverse outcomes from financial harassment and/or having problems in managing their finances.
- Compulsory Income Management is a blanket measure which is applied to a large number of people who, according to the analysis of survey data, interviews and other consultations, are able to manage their money and who report that they do not have problems related to alcohol, drugs or gambling².
- Compulsory Income Management has given rise to considerable feelings of disempowerment and unfairness.

Voluntary Income Management (VIM)

- After the initial implementation period the numbers on Voluntary Income Management have been relatively stable, although there are some signs that participation may be declining.
- In October 2011, about 90 per cent of those on Voluntary Income Management were previously on NTER IM.

² In the evaluation it was not possible to definitively identify the degree to which individuals subject to income management actually have problems in areas such as alcohol or drug abuse, or gambling, or may inappropriately allocate their expenditures. However individual responses to survey questions, qualitative reporting by Centrelink staff and others involved in aspects of income management, as well as population level data on the incidence of these factors lead us to the above conclusion. Over half of the Indigenous survey respondents indicated that they had no problems with alcohol, drugs or gambling in their family, some 30 per cent report a small problem and 16 per cent that one of these was a major problem. This level of incidence is not inconsistent with other data such as ABS data which reports that 46 per cent of Indigenous people in remote areas totally abstained from alcohol as did 31 per cent of those in non-remote locations, and a level of chronic risky, or high risk, drinking of 17 per cent (ABS 2011).

- People on Voluntary Income Management are more positive about the measure and its effects than people subject to Compulsory Income Management. Centrelink staff tended to be positive about Voluntary Income Management and to favour Voluntary Income Management over compulsory measures.
- The main motivations reported for being on Voluntary Income Management were to reduce financial harassment and ensure that money is safeguarded. Many people appear to value the incentive payment, income management itself and the free banking offered by the BasicsCard.
- There is evidence that some people do not fully understand the extent to which participation in Voluntary Income Management was a choice.

Vulnerable Income Management (VULIM)

- Vulnerable Income Management (the Vulnerable Welfare Payment Recipients Measure) is used in a very small number of cases (198), 97 per cent of whom are Indigenous.
- It is possible that Vulnerable Income Management is 'crowded out' as many potentially vulnerable people are already subject to Compulsory Income Management. There is evidence that people are encouraged to move onto Voluntary Income Management in the first instance rather than being placed on Vulnerable Income Management.
- Vulnerable Income Management appears to be an appropriate measure for vulnerable people in specific circumstances, for example where they face financial harassment or have great difficulty in managing their finances. While unclear from the data currently available, the nature of the underlying cause of much of the vulnerability means many are likely to remain on income management for a long period of time. For these individuals the program is likely to effectively operate as a long term management tool, and not as an intervention that will build their capacity or change their behaviour.
- Because of the small numbers of people on this measure, the evaluation was not able to collect information on the impact of Vulnerable Income Management on individuals and families or their views about the measure and thus the conclusions in this report about Vulnerable Income Management are necessarily tentative.

Child Protection Income Management (CPIM)

- Very few people are subject to Child Protection Income Management (45 in October 2011). There appears to be some reluctance amongst child protection workers to refer clients for Child Protection Income Management because:
 - Most families referred to Child Protection for neglect are reportedly already subject to income management and it is not seen as worthwhile to increase the proportion of income being managed from 50 to 70 per cent.
 - Income management is not necessarily seen as an appropriate response to neglect with financial management not always being an

important feature of families where children are neglected. Other issues such as substance misuse and domestic violence are often assessed as more pressing.

- There are diverse views amongst caseworkers as to whether they should be playing a role in a decision to subject a person to income management. In addition the 12 month duration of Child Protection Income Management referrals results in caseworkers having to keep files open when they may otherwise be shut.
- As with Vulnerable Income Management, the evaluation was not able to collect information on the impact of Child Protection Income Management on individuals or families because of the small number of people on this measure.

Exemptions

- Exemptions are available to people subject to Compulsory Income Management if they can demonstrate that:
 - their children (under 5 years) have had appropriate vaccinations, regular health checks, and where appropriate participate in appropriate activities
 - their children (5-16 years) are consistently attending school
 - they are able to obtain sustained and substantial employment
 - in addition, if they have children, they must also demonstrate that they are able to appropriately manage their finances.
- Exemptions are sought by 19.6 per cent of people subject to Compulsory Income Management and granted to about half of those. In total 10.9 per cent of people who would have been subject to Compulsory Income Management are exempt from income management.
- For Indigenous people, who if they did not receive an exemption, would be subject to Compulsory Income Management, 13.2 per cent applied for an exemption and 36.5 per cent of these succeeded. Amongst non-Indigenous people subject to income management 48.7 per cent applied for an exemption, 79.8 per cent of whom were successful. As a result, the proportion of Indigenous with an exemption is 4.8 per cent, much lower than the 38.8 per cent of non-Indigenous who have an exemption.
- Groups with very low exemption rates include Indigenous people living in NTER prescribed communities (1.5 per cent); people without children (1.0 per cent); larger families; and those with older children. People from non-English speaking backgrounds (NESB) had high rates of application and success.
- There seemed to be little support available to assist people in developing and presenting their case for exemption; gathering the supporting documentation was too demanding for many people.
- There is a limited connection between the direct impact of income management, which is to ensure the responsible allocation of funds to meet

basic needs, and the exemption criteria in that responsible money management is not of itself sufficient grounds for exemption.

- Questions were raised both by people subject to income management and other stakeholders (including Centrelink staff) about the ways in which the exemptions policy and processes are applied. These include the way in which decisions are made, the problems of reverse onus of proof, and the need for people to assemble appropriate documentation.

BasicsCard and the mechanics of income management

- There are mixed views about the BasicsCard. Many people subject to income management, and Centrelink staff, were on the whole quite positive about the introduction of the BasicsCard.
- People tended to identify the BasicsCard with income management itself as it is the most prominent and public indication that a person is being income managed, and is also seen as a symbol of the NTER by both Indigenous and non-Indigenous people.
- The positive aspects of the card were seen in terms of reducing scope for financial harassment, having identified funds for food and other purchases, and providing fee free banking. There was some evidence that for some people it even serves as an incentive to remain income managed even if they qualify for an exemption.
- The 'fee free' banking aspect of the card appears to be a particular benefit in communities where people face high transaction charges.
- However, many other people expressed very negative views about the BasicsCard, including embarrassment. More generally they found the amount of involvement of Centrelink in their personal financial decisions intrusive.
- There were also a range of practical problems using the card, including difficulties with, and the telecommunications costs of, checking balances and the card not being accepted by all retailers.
- On balance, the evaluation evidence indicates that the BasicsCard and income management have helped to protect income management funds from financial harassment and gambling, but has not eliminated income management funds being used in these ways.

Matched Savings Payment, money management and financial counselling

- Very few people have received a Matched Savings Payment (15 in total) and the majority of these are non-Indigenous. Subjecting the Matched Saving Scheme payment to income management was viewed negatively.
- While money management services have had contact with a large number of people subject to income management, very few people subject to Compulsory Income Management have attended approved money management courses. For those on income management it appears that much of the initiative is short-term assistance, a matter outside the scope of the evaluation, rather than directly building budgeting and financial management skills.

- Some stakeholders expressed concerns about the content of the approved money management courses and identified a mismatch between what they were required to provide and what their income managed clients needed, with courses not being pitched at the level of clients' knowledge or being culturally inappropriate for some.

Conclusion

The evidence gathered to date for this evaluation suggests that NIM has had a diverse set of impacts. For some it has been positive, for others negative and for others it has had little impact. Taken as a whole there is not strong evidence that, at this stage, the program has had a major impact on outcomes overall. Although many individuals report some gains, others report more negative effects.

The evidence indicates that the program may make a contribution to improving the wellbeing for some, particularly those who have difficulties in managing their finances or are subject to financial harassment. Voluntary Income Management in particular is viewed positively by people to whom it is applied, and by other stakeholders.

For Indigenous people on Voluntary Income Management, 59 per cent felt that income management had made things better for them and 47 per cent would recommend it to others. For Indigenous people subject to Compulsory Income Management 36 per cent felt that income management had made things better for them and 33 per cent would recommend it to others. Amongst non-Indigenous people subject to Compulsory Income Management, 20 per cent felt that income management had made things better and 32 per cent would recommend it to others.

Many people subject to Compulsory Income Management appear not to demonstrate the behaviour problems or financial difficulties which the measure was intended to remedy.

Income management incurs costs to the individuals, who in many cases find it embarrassing and humiliating and in some cases de-motivating. There are very mixed findings as to the extent to which being subject to income management has led to greater control over money.

There are very big differences in the rates of exemption between different groups within the Compulsory Income Management population, in particular between Indigenous and non-Indigenous people and between those with and without children.

The large-scale survey of those subject to income management reveals that the majority of participants reported little change for the range of outcomes examined. A significant minority reported improvements as a result of income management, in most domains more than those who reported deterioration; in some cases this difference was significant. In many cases the comparison group of income support recipients outside the Northern Territory has similar perceptions of improvement.

The analysis also took account of the longer term exposure of some people to income management under the NTER. There appears to be no strong evidence of any major impact of this longer period of income management.

It is difficult in the evaluation to fully differentiate views about the BasicsCard from income management itself. However, the card is seen positively by some and negatively by others. The positive views seem driven by the safety the card can provide and the absence of costs (other than phone calls to check balances) on its use.

At this stage of the evaluation, the evidence highlights a diversity of outcomes from NIM which are positive for some and negative for others. This raises two central questions: whether, to the extent that there are gains under the existing arrangements, the gains outweigh the costs; and whether or not alternative arrangements, including a more targeted approach and greater attention to the provision of higher quality services would permit the gains to be achieved without the negative outcomes.

Our view is that these findings point towards the conclusion that income management may assist a proportion of those on income support to cope with particular issues they face. At the same time the program has been applied to many who do not believe that they need income management and for whom there is no evidence that they have a need for, or benefit from income management. Income management has led to widespread feelings of unfairness and disempowerment.

The low numbers of people who have engaged with the incentives (matched savings and exemptions), and other support services which are intended to complement income management, may have mitigated the effectiveness of the program as it is the combination of all three components which is expected to improve wellbeing.

More generally our analysis suggests that for many people the program largely operates more as a means of control rather than a process for building behaviours or changing attitudes or norms.

This conclusion is reinforced by the fact that for major subgroups if a person does not obtain an exemption before starting being income managed or shortly after then it appears that they are likely to remain on income management for an extended period of time.

The next stage of this evaluation will clearly identify the medium and longer term impacts of income management and whether access to exemptions and services improves over the course of the next period.

1. INTRODUCTION AND BACKGROUND TO THE EVALUATION

Income management (IM) was first introduced in 2007 as part of the Northern Territory Emergency Response (NTER).³ In essence the program involves the ‘quarantining’ of a portion of an individual’s income support payment and restricting the ways in which this can be spent. The initial rollout of income management under the NTER only affected people who received income support and who lived in one of 73 prescribed Indigenous communities, their associated outstations or the 10 town camp regions of the Northern Territory (NT). The NTER IM operated until August 2010 when it was replaced with a new form of income management in the Northern Territory – New Income Management (NIM).⁴

NIM differs from the income management measure introduced under the NTER in several respects. First, it covers all areas of the Northern Territory not only prescribed Indigenous communities, and therefore applies to all people who qualify. Second it applies in a mandatory fashion to a narrower range of income support recipients and provides an option to participate voluntarily (Voluntary Income Management). Central to the structure of NIM was that it could be implemented in a way that allowed for the restoration of the *Racial Discrimination Act 1975* (Cwth)⁵, which had been suspended as part of the NTER.

Income management has also been introduced as part of the Cape York Welfare Reform Trial; in a trial form in the Kimberley and Peel regions, and the metropolitan area of Perth in Western Australia (WA); and will be trialled in five sites around Australia from July 2012, in what is termed ‘Place Based Income Management’. These initiatives are more targeted than NIM, focusing on people with particular adverse outcomes such as being assessed by child protection authorities as requiring income management (the WA trials), or who are engaging in dysfunctional behaviour (Cape York Welfare Reform Trial). It is only in the Northern Territory that income management is being implemented as a general measure applicable to all income support recipients who have been on certain payments for a specified duration, in addition to being targeted at individuals actually identified as vulnerable or as part of child protection measures. The Northern Territory, along with a number of the trial areas, has provision for people to volunteer to be income managed.

³ Income management is also sometimes termed ‘welfare quarantining’.

⁴ While NTER IM applied to both Indigenous and non-Indigenous people in receipt of income support payment who lived in these geographic areas, the vast majority subject to NTER IM were Indigenous.

⁵ Referred to in this report as the *Racial Discrimination Act*.

1.1 Background to the evaluation

In May 2010 the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) commissioned a consortium consisting of the Social Policy Research Centre (SPRC) at the University of New South Wales, the Australian National University and the Australian Institute of Family Studies (AIFS) to develop an overarching framework for the evaluation of NIM to guide evaluation activities over the period 2010-14. Following a competitive tendering process, this consortium was then commissioned by FaHCSIA to undertake the evaluation of NIM.

This first stage evaluation report considers how effectively the measure was rolled out, how the transition from the NTER to NIM was managed and initial data on the impacts of NIM.

As described below, the rollout of NIM commenced in August 2010 and the transition from NTER IM to NIM was effectively completed by July 2011. Thus the first stage evaluation covers the initial implementation period.

This report combines analysis of information relating to the baseline and early implementation of the NIM program.⁶ Importantly, the report also contains the views of Indigenous and non-Indigenous people who receive income support and who are subject to (or have been subject to) one or more NIM measures.

It must be recognised that much of the data in this report is not an actual report of baseline conditions in that the survey data from stakeholders and people subject to NIM relies on their recollection of how things were before the introduction of NIM, rather than using data collected prior to the introduction of the measure. This data is therefore potentially subject to recall bias.⁷ The administrative data, in contrast, does reflect actual changes in receipt of income support and impact of NIM over time in the Northern Territory. The evaluation has been guided by the Evaluation Framework for New Income Management (SPRC & AIFS, 2010) as agreed with FaHCSIA; the evaluation has generally been undertaken as described in the framework.⁸

The evaluation consists of a number of components, described in detail in Chapter 3. Our overall approach to analysis is to use the various methods of enquiry to triangulate each other so that findings can be cross validated across different methodologies and different participant groups.

⁶ The Evaluation Framework was originally designed to provide a “baseline report” in the second half of 2011 and an “early implementation report” at the end of 2011 (SPRC & AIFS, 2010). The need for extensive consultation, obtaining ethics approval, challenges in receiving and cleaning the administrative data and practical issues relating to the timing of fieldwork in remote communities meant that the necessary data was not available at the time originally envisaged for the initial baseline report. It was thus agreed with FaHCSIA that the baseline and early implementation reports would be combined in this report.

⁷ Recall bias can take a range of forms. It may involve people forgetting particular events, or the colouring of responses on the basis of current circumstances or expectations around what should have occurred.

⁸ The Evaluation Framework for New Income Management is available at <http://www.fahcsia.gov.au/sa/families/pubs/nim/Pages/default.aspx>

1.2 Evaluation: aims and questions

The Terms of Reference for the Evaluation are to:

- provide evidence on the impact on NIM on those who are affected
- assess whether the reforms were implemented effectively
- understand whether NIM is a cost-effective model so as to
- inform future government decision making and social policy formulation for both the wider and the Indigenous communities.⁹

This report is largely concerned with the first two terms of reference, although we would anticipate that it will contribute to the fourth.

The third of the terms of reference has not been considered at this stage. FaHCSIA have requested that this be undertaken in the later stages of the evaluation when they believe they will have a better appreciation of the full costs of program implementation and of the separate cost of establishment and operation.

In order to evaluate NIM it is important to clearly articulate the objectives of the policy and the criteria by which the success or failure of the policy will be evaluated. It is also important to clearly articulate the program logic (also referred to as theory of change) which explains the causal mechanisms by which the policy or program is expected to achieve its objectives.

The objectives of NIM and the associated program logic have been used to develop specific evaluation questions against which NIM is to be evaluated. There are a series of broad overarching research questions across all four streams of NIM. There are also research questions for specific streams of the NIM model. The program logic for NIM is set out in more detail in the Evaluation Framework (SPRC & AIFS, 2010).

1.2.1 The evaluation framework

The structure of the evaluation comprises two overarching sections: process evaluation – concerning the effectiveness of implementation and administration; and outcomes. The evaluation also includes a series of more specific evaluation tasks related to individual measures.

Overarching questions

Process evaluation

1. How effectively has NIM been administered and implemented?
 - (a) What have been the resource implications of implementing the program?
 - (b) Have suitable individuals and groups been targeted by NIM?

⁹ These aims were set out originally in the Evaluation Framework.

- (c) Have people been able to transfer into and out of NIM appropriately (e.g. choosing to transfer from income management under NTER to Voluntary Income Management)?
- (d) What has been the effect of the introduction of NIM on service providers?
- 2. What is the profile of people on the different income management streams?
- 3. Have there been any initial process 'teething issues' that need to be addressed?
- 4. What are the views of participants in the NIM model and their families on the implementation of the program?
- 5. Has the measure been implemented in a non-discriminatory manner?

Outcome evaluation

- 1. What are the short, medium and longer-term impacts of income management on individuals, their families and communities?
 - (a) How do these effects differ for the various streams of the program (mainstream, voluntary, child protection, vulnerable)?
 - (b) Have there been changes in spending patterns, food and alcohol consumption, school attendance and harassment?
 - (c) What impact does NIM have on movement in and out of Northern Territory among people on the measure?
 - (d) Has NIM contributed to changes in financial management, child health, alcohol abuse, violence and parenting (i.e. reduced neglect)?
 - (e) Do the four streams achieve appropriate outcomes for their participants?
 - (f) Has NIM had any unintended consequences (positive or negative)?
 - (g) Are there differential effects for different groups? (including — if sufficient data is available — by Indigeneity, gender, location, age, educational status, work status, income, length of time on income support, marital status, family composition and diverse cultural and linguistic background)
 - (h) Does income management provide value for money by comparison with other interventions?
 - (i) Does NIM provide any benefits over and above targeted service provision?

Research questions for specific streams of the NIM model

Questions specific to the participation/parenting stream

1. Has NIM helped to facilitate better management of finances in the short, medium and long-term for people on income management and their families?
2. Has access to services or interventions improved for those families?
3. Have other changes in the wellbeing and capabilities of the individuals and families occurred?

Questions specific to the child protection stream

1. What has been the impact of income management on child neglect?
2. What has been the impact on child wellbeing in those families referred to the child protection measure (CPIM)?
3. What are the barriers and facilitating factors for child protection workers to use income management as a casework tool?
4. What (if any) service delivery gaps have impacted on the usefulness of Child Protection Income Management?

Questions specific to the vulnerable stream

1. Are vulnerable people appropriately targeted by this measure?
2. How does income management impact on the vulnerability of individuals?
3. Have people on this stream experienced changes in the level of harassment (e.g. humbugging)?

Questions specific to the voluntary stream

1. Have people who volunteered for income management been able to make an informed choice?
2. How long do voluntary income management recipients stay on the measure?
3. What are the key motivations for people who voluntarily access income management, and why do they stop?

1.2.2 Evaluation methodology

Chapter 3 contains a detailed description of the methodology adopted to implement the evaluation and address these questions. It also contains a discussion of some of the difficulties faced in attempting to evaluate the program, given its complexity and the extent to which it involves interactions with a wider set of policies which have significantly impacted on the population which is subject to IM in the Northern Territory. Some of these are considered below, as is the existing evaluation material on these other policy measures and on income management itself.

1.3 Context

In order to assess the impact of income management in the Northern Territory, it is important to understand the context in which it is being implemented. Firstly, as noted above and described in more detail in Chapter 2, income management was originally introduced as part of the NTER which was geographically targeted at 73 Indigenous communities. Thus income management was originally implemented as a specifically Indigenous measure aimed at addressing the particular problems within prescribed Indigenous communities. Although the potential scope of NIM has now extended income management both geographically and demographically to the whole Northern Territory population, it is still overwhelmingly a measure applied to Indigenous people. Over 90 per cent of people subject to NIM are Indigenous. In addition, around a quarter of the non-Indigenous people who are income managed were born outside of Australia. This has very important implications for how the program is received and perceived by the different populations, and also on the potential for NIM to impact on the different populations within the Northern Territory.

It is estimated that just over 1 per cent of non-Indigenous adults in the Northern Territory are income managed this means that the non-Indigenous Australian born population of the Northern Territory (who are the majority population of the Territory) are virtually untouched by income management. On the other hand, about 32 per cent of Indigenous adults are subject to income management; therefore it is likely that the majority of Indigenous people have lived in a household where someone has been, or is being, income managed. Within the Indigenous community of the Northern Territory, over 24 000 people are receiving an income support payment, and of those, 62 per cent are being income managed. Of the approximately 15 000 non-Indigenous people receiving an income support payment, 10 per cent are being income managed. These characteristics are considered further in Chapter 4.

For many Indigenous people, the experience of income management stretches back to 2007. It could therefore be expected that if income management is to have a substantive impact on behaviour and outcomes, it should have made most difference to those who have transitioned from NTER IM to NIM and hence have spent the longest time being subject to income management.

Thus comparing the effects of income management on these different populations is complex and challenging. Nevertheless, understanding the extent to which income management has a differential impact on Indigenous and non-Indigenous people is crucial.

Given these considerations, while we believe that the report contains substantive findings, it is emphasised that this is an interim report and as such it only takes account of a part of the evidence it is proposed to collect across the course of the evaluation. A consequence of this is that over time some of the findings reported here may be reviewed on the basis of the longer term evidence, and on the evidence of other aspects of the evaluation which have not been considered to date. In particular the analysis of the cost of the program may cast the findings of the outcomes of the program in a different light. At the same time we are cognisant that policy decisions frequently need to

be informed by the best available evidence and providing this in a timely manner has been our objective in the analysis we present here.

Our findings are necessarily restricted to, and need to be understood in the context of, the particular circumstances of the Northern Territory and the point in time at which the evaluation has been conducted. The evaluation process will continue until 2014, and it will only be at the end of this process that the impact of NIM, and its cost effectiveness, will be comprehensively assessed. Nevertheless, as noted above, this first report is by far the most comprehensive analysis of income management to date; the findings provide important insights into NIM and its functioning which will have significance for the future development and refinement of the program.

1.4 Existing research and evaluation of income management in the NT

There are a number of research studies and government reviews that provide information about income management in the Northern Territory. Most of this work relates entirely or primarily to NTER IM, with relatively little research on NIM. Most of the work was undertaken as part of research into the impact of the broader NTER, thus the outcomes examined are generally linked to the NTER as a whole and not specifically to income management. In addition, the research on the NTER does not tend to compare changes in the NTER areas with other locations or individuals. This section provides a brief overview of selected research and evaluation on income management; it does not attempt to provide a comprehensive review.

The existing studies on income management in the Northern Territory have provided useful data; however, they are either small-scale or are focused on very specific aspects of income management.

One of the key existing evaluations is *The Northern Territory Emergency Response Evaluation Report 2011* (FaHCSIA, 2011b). The report provides an evaluation of the NTER and its impacts, and includes some limited information on income management. The key findings about income management (largely NTER IM) are:

- while there are mixed views about income management in the NTER communities, there are many people who believe that income management was bringing about positive outcomes, especially for children
- generally income management was viewed more favourably (or less negatively) by women than men
- some of those subject to income management felt shame and stigma
- the way in which income management was initially implemented under the NTER as a universal measure in prescribed communities without consultation, and requiring the suspension of the *Racial Discrimination Act*, caused anger
- there are practical difficulties in using the BasicsCard including that it is not accepted by all retailers, it could be difficult for people to know their BasicsCard balances, and it made travel more difficult.

A study by the Equality Rights Alliance (2011) which focused on women's experience of income management in the Northern Territory (including NIM) was much more negative in its conclusion. This small-scale study involved group discussions and a survey of 168 women with direct experience of income management. The study found that: many people had difficulties in understanding and using the BasicsCard; most women thought the BasicsCard had not changed what they buy; had no effect on safety; and that '*Centrelink and others in their community do not have respect for them, or consider them to be less competent with money or as parents, because they have a BasicsCard*' (Equality Rights Alliance, 2011, p. 40). There was, however, a substantial minority of women who reported that the income management had helped them to save money (22 per cent), made it easier to look after their family (23 per cent), had made them safer (28 per cent), and had reduced 'humbugging'.¹⁰ While this study produces some insightful analysis, the scale and non-random nature of the sample means that the findings cannot be generalised as an overall population response.

An early study of NTER IM was undertaken by the Australian Institute of Health and Welfare (AIHW, 2010). The AIHW study was based upon a range of data, including information collected from a relatively small number of people subject to income management (76 were interviewed); stakeholder consultations; and surveys of store operators (merchants) and Government Business Managers. The AIHW evaluation report found evidence (classified by AIHW as evidence at the weaker end of the evidence hierarchy) that while there were mixed views about income management, more were positive than negative. It also reported that there were some improvements in child health and community wellbeing, financial management skills and more money was being spent on food and less on the excluded items.

Two other studies have used store expenditure data for selected communities to examine whether there is evidence of income management having had an impact on expenditure patterns in the store.¹¹ The Central Land Council (CLC), using data for a single store in a remote Indigenous community, found an increase in spending on food and a decrease in expenditure on tobacco following the introduction of NTER IM (CLC, 2008). Brimblecombe et al. (2010), using data from ten Arnhem Land Progress Aboriginal Corporation (ALPA)

¹⁰ Humbugging is a term used in many Indigenous communities to refer to a range of circumstances where people expect financial or other support from others. In some circumstances this reflects cultural practices of sharing and mutual support; in others it can be have negative consequences. Because of this ambiguity we have generally avoided the term, and instead have referred directly to financial harassment where this is the issue at stake. Nevertheless, the term is used in some quotes and in some of the survey instruments.

¹¹ A monitoring report of the licensing of stores as part of NTER IM was undertaken by FaHCSIA (FaHCSIA, 2009). The monitoring report was based upon interviews with store operators and did not involve collection of data from store customers or the analysis of store sales or financial data. This report found that store operators reported that they thought the overall impact of NTER IM had been positive for communities and two-thirds of store operators interviewed reported an increase in the amount of healthy food purchased from their store. The store operators interviewed also reported that determining BasicsCard balances was a major issue.

stores over the period 2006 to 2009, concluded that the introduction had no impact upon expenditure patterns in the ten ALPA stores.¹²

A major review of the NTER was undertaken in 2008 by the NTER Review Board (Yu, Duncan & Gray, 2008).¹³ In relation to income management in the Northern Territory, the Review Board found that there were a range of competing views about its value and impact. They also found that some Aboriginal people living or shopping in the major regional centres '*experienced frustration, embarrassment, humiliation and overt racism because of the difficulties associated with acquiring and using store cards*' (Yu, Duncan & Gray, 2008, p. 20). However, they also found that many people '*believed that income management provided a new opportunity to manage their income and family budgets in a way that they wanted to see continue*', and that there was some evidence for the view that a '*substantial number of families and children had benefited from income management*' (Yu, Duncan & Gray, 2008, p. 21).

It is interesting to note that the Review Board reported that:

'The most common view expressed in consultations, however, was that if people wanted to take advantage of a voluntary income management scheme they should be allowed to do so. There was also general support for the notion that income management should be made compulsory for those who had demonstrated in some way that they were not meeting their family or community responsibilities, especially if the wellbeing of children was at risk or if alcohol and drugs were being abused to the detriment of the community (Yu, Duncan & Gray, 2008, p. 21).

In summary, there is very little robust research evidence for the effectiveness (or otherwise) of income management more generally and NIM in particular. The differential impact of income management on different sectors of the population has not been previously studied at all, and there have been no comparisons between people subject to income management and similar populations without income management.

If income management is having a substantially positive impact then this should be apparent over time in aggregate measures of various outcomes for the Northern Territory, although these data will not disaggregate the differential effects of income management from the raft of other initiatives in the Northern Territory.¹⁴ Examples of outcomes for which publicly provided administrative data is available are alcohol sales, school attendance, rate of hospitalisation of children, child protection notifications and substantiations, and crime and arrest rates. There is also data available on educational outcomes (NAPLAN data)

¹² The findings of this study have been the subject of some debate. It has been argued that the study had a number of limitations, including that "... *the conclusions were not put into proper context for the statistical model structure chosen, the use of a convenience rather than a true random sample, the use of an interrupted time-series analysis, inconsistencies with the dates used to determine the switch-on time of income management for stores in the study (versus the actual switch-on dates) and differences between ALPA stores and other community stores, suggesting that the results are not easily generalisable to other stores.*" (FaHCSIA, 2011b, p. 347).

¹³ The NTER Review Board comprised Peter Yu, Marcia Ella Duncan and Bill Gray.

¹⁴ This is discussed in some detail in the Evaluation Framework for New Income Management (SPRC & AIFS, 2010).

and health of children (being underweight, obese, and anaemic). In order to use the aggregate data to assess whether there are improvements in the outcomes measured at the Northern Territory wide scale (or for particular areas within the Northern Territory), data is needed prior to August 2010 (when NIM was implemented) and for 2011 and 2012. At the time of writing, data for 2011 was in general not available, and so it is not possible to examine in any systematic way the aggregate outcome data for any evidence of the potential aggregate impact of NIM.

The Northern Territory Emergency Response Evaluation Report 2011 (FaHCSIA, 2011b) provides detailed information on the trends in many of the aggregate outcomes up to and including for 2010. For some of the outcome measures there has been little change, including for school attendance. However, there has been some improvement for reading at year 3 (NAPLAN), children's hearing, as well as a decline in middle ear conditions and reductions in the proportion of children with anaemia or who are underweight.

In June 2012 the Commonwealth Ombudsman reported on decision making in relation to the Financial Vulnerability Exemption test and under the Vulnerable Welfare Payment Recipient measure (Commonwealth Ombudsman, 2012a). This contained 20 recommendations. The Ombudsman reported that these were all accepted and they were intending to review progress in three months' time (Ombudsman, 2012b). Material from this review has however not been able to be drawn on for this report.

Although not directly related to the evaluation of income management, but also of relevance, given some of its findings, is the February 2011 report on 'Indigenous ATM issues' produced by the joint Treasury and Reserve Bank of Australia ATM Taskforce (Treasury & RBA 2012). Following this the government has announced 'a new commitment by the Australian banking industry and two major independent ATM companies to voluntarily provide free transactions at 76 ATMs across very remote Indigenous communities in the Northern Territory, Queensland, Western Australia and South Australia' (Swan, & Macklin, 2012).

1.5 Structure of this report

The rest of this report is structured as follows:

- Chapter 2 provides a detailed description of NIM, how the measure was rolled out, and how the different streams of NIM function.
- Chapter 3 describes the methodology of the evaluation and the rationale for the approach taken, as well as highlighting some of the major challenges faced in evaluating the program.

Chapters 4 to 11 set out the baseline and early implementation findings from each component of the evaluation. In particular:

- Chapter 4 draws on administrative data to describe the characteristics of people subject to income management and documents the rollout of the program.
- Chapter 5 reports on how funds, subject to income management, are allocated and spent.

- Chapter 6 examines the operation of the BasicsCard which is the main mechanism through which income management funds are spent.
- Chapter 7 reports on the Matched Savings Program and money management, education and financial counselling.
- Chapter 8 examines the operation of exemptions from income management.
- Chapter 9 reports on the perspective on 'intermediaries' – those involved in various aspects of the operation of income management.
- Chapter 10 presents quantitative analysis from the first wave of the survey of people subject to income management.
- Chapter 11 draws on the qualitative aspects of the same study.

Then:

- Chapter 12 specifically considers the potential impact of the implementation of income management on patterns of receipt of income support.
- Chapter 13 draws together the findings from the three evaluation methodologies to draw conclusions about the implementation and early impacts of NIM.

Appendices provide some supplementary material, including further documentation of different aspects of income management and this evaluation.

2. OVERVIEW OF NEW INCOME MANAGEMENT IN THE NORTHERN TERRITORY

2.1 Introduction

This chapter provides an overview of operation of NIM in the Northern Territory. NIM has a number of different components; having a clear understanding of the design and operation of NIM is crucial for the evaluation exercise. As with most policies, understanding the history of its development is important to understanding why it is designed the way it is and how it operates. This is particularly important in the case of NIM, given that it arose from a form of income management that operated as part of the Northern Territory Emergency Response (NTER). The chapter begins with the background to income management in the Northern Territory and then describes NIM - the current form of income management operating in the Northern Territory.

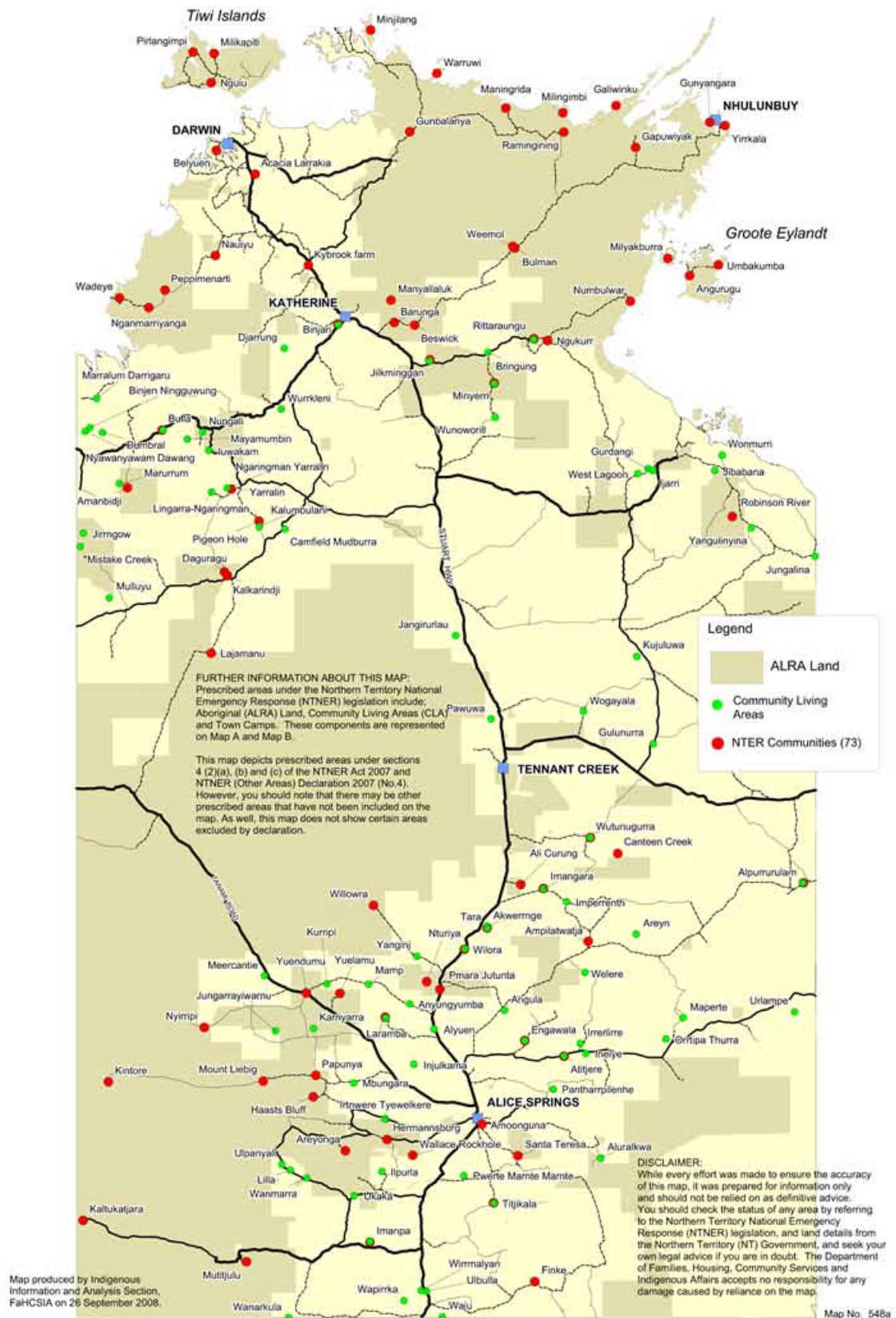
2.2 Background to the introduction of income management in the NT

Australian Government compulsory income management for income support recipients was first introduced as part of the NTER. The NTER was announced in July 2007 and involved a number of policy changes, programs and changes in the provision of services. One of the catalysts for the NTER was the report *Protection of Aboriginal Children from Sexual Abuse, Ampe akelyernemane meke mekarle: 'Little children are sacred'* (Northern Territory Government, 2007) which highlighted the issue of child sexual abuse in the Northern Territory.

Although income management was only one of 37 initiatives that made up the NTER, it was probably the most widely recognised aspect of the NTER (Yu, Duncan & Gray, 2008).

The NTER applied to 73 prescribed communities, their associated outstations and the 10 town camp regions of the Northern Territory. This covered all land held under the *Aboriginal Land Rights Act (Northern Territory) 1976* (Cwth), all Aboriginal community living areas, and all Aboriginal town camps – in total an area of over 600 000 square kilometres (Yu, Duncan & Gray, 2008). The prescribed areas are shown in Figure 2-1 and Figure 2-2. In 2008, over 70 per cent of Indigenous people in the Northern Territory lived within prescribed areas; approximately 45 500 Indigenous people.

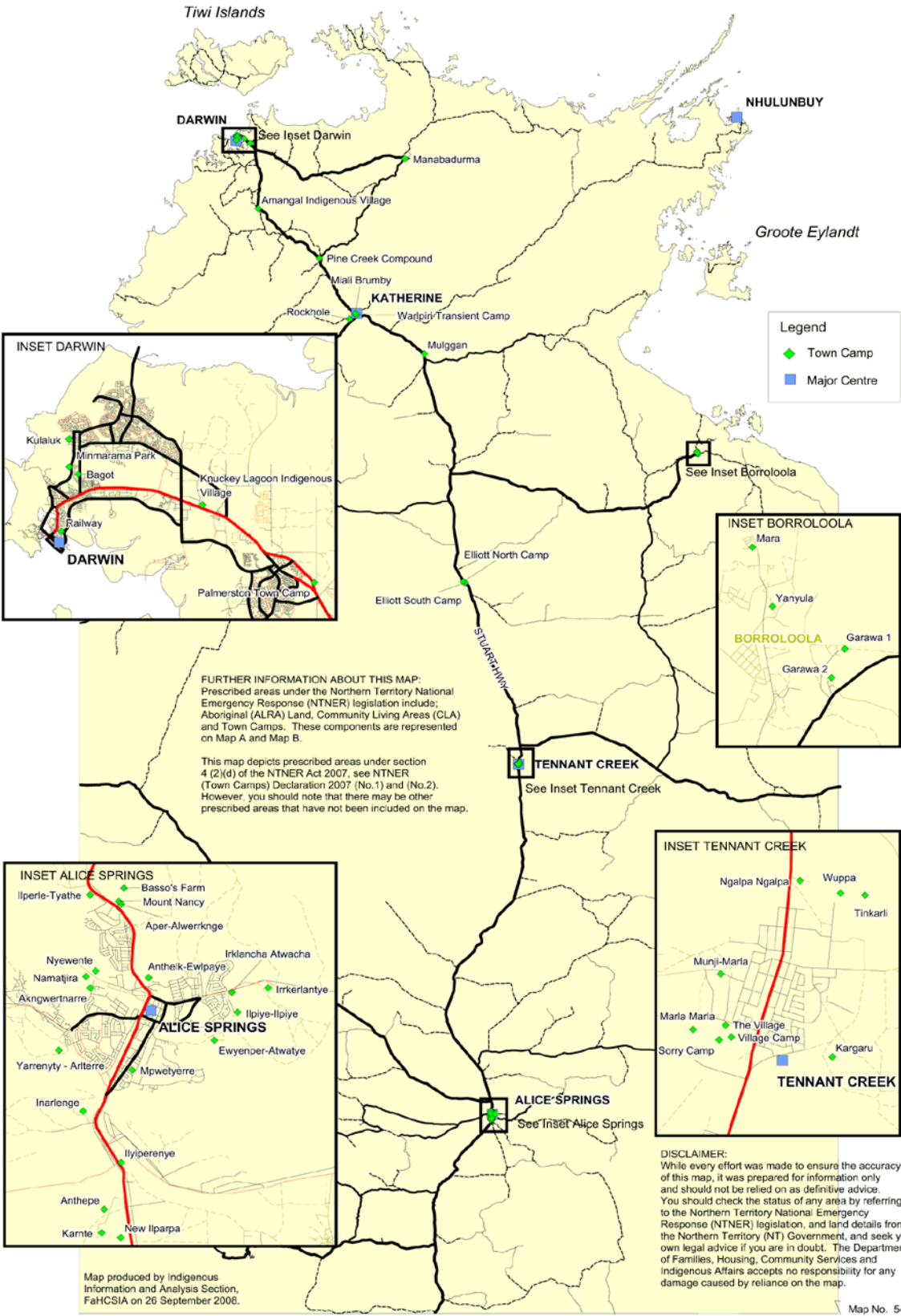
Figure 2-1 Map of NTER Prescribed areas, Aboriginal (ALRA) land and community living areas



Note: ALRA Land is land held under the Aboriginal Land Rights (Northern Territory) Act 1976 (Cwth)

Source: Report of the NTER Review Board, 2008; Appendix 4.

Figure 2-2 Map of NTER Prescribed areas, town camps



Source: Report of the NTER Review Board, 2008; Appendix 4.

Under the NTER model of income management, people living in the prescribed areas who received government income support payments had half of their income support payments income managed. Income-managed funds were directed towards agreed priority needs and services such as food, rent and utilities. Income-managed funds could not be used to purchase excluded items such as alcohol, tobacco, pornography or gambling products. Because of the targeting of largely Indigenous communities, the implementation of the NTER required the suspension of the *Racial Discrimination Act*. NTER IM applied to all income support recipients who were living in a prescribed area on 21 June 2007¹⁵.

In July 2010, just prior to the introduction of NIM in the Northern Territory, there were 16 726 income support recipients on NTER IM and 22 515 income support recipients not being income managed.

Table 2-1 Proportion of income support recipients subject to NTER income management by Statistical Subdivision, June 2010

Statistical Subdivision	Proportion of income support recipients being income managed
	- % -
Darwin City	10.7
Palmerston-East Arm	4.0
Litchfield	2.8
Finniss	14.7
Bathurst-Melville	79.3
Alligator	71.7
East Arnhem	82.1
Lower Top End NT	60.8
Barkly	63.1
Central NT	53.6
Total NT	40.4
Note:	Table population is all income support recipients resident in the Northern Territory.
Source	Derived from the FaHCSIA Housing Dataset.

People who were subject to income management because they lived in a prescribed area and subsequently moved within the Northern Territory continued to be subject to income management. This meant that by June 2010, there were a number of people in the Northern Territory living outside of prescribed communities who were subject to income management because they were previously living in a prescribed area. Table 2-1 shows the numbers being income managed by Statistical Subdivision in June 2010.

¹⁵ The payments with larger numbers of recipients include: Newstart Allowance; Parenting Payment Single; Parenting Payment Partnered; Age Pension; Disability Support Pension; Carer Payment; and ABSTUDY.

As discussed in Chapter 8 while there were some limited exemptions under the NTER IM these can be largely considered as being 'technical' in terms of being granted to people who, while within the location, did not have strong local community connections.

Following the change of government in 2007, the incoming government decided to continue income management in the Northern Territory, but to change the way it worked so that the *Racial Discrimination Act* could be reinstated. This led to NTER IM being replaced with NIM (Macklin & Snowden, 2010).

A timeline for income management in the Northern Territory is provided in Table 2-2 and the operation of NIM is described in the next section.

Table 2-2 Timeline for income management in the Northern Territory

2007	
15 June	Little Children are Sacred report released
21 June	NTER announced
17 July	Legislation passed and assented (introduced 7 July 2007) which allowed for a variety of changes including the introduction of income management
21 July	Cut-off date for residential eligibility for income management
20 August	Community engagement before income management commenced
17 September	Rollout of income management commenced
2008	
8 September	BasicsCard rollout commenced
23 October	NTER Income Management extended
27 October	Rollout of income management completed
15 December	BasicsCard rollout completed
2010	
1 July	Legislation for NIM passed Parliament
9 August	Rollout of NIM commenced (Barkly Region – Zone 1)
30 August	Rollout of NIM commenced in Alice Springs, Katherine, East Arnhem Land and other outback areas – Zone 2)
2 September	Rollout of NIM commenced in remaining outback areas
4 October	Rollout of NIM commenced in Darwin and Palmerston
31 December	<i>Racial Discrimination Act 1975</i> (Cwth) fully reinstated
2011	
25 February	Transition from NTER IM to NIM largely completed (just 118 people remaining on NTER IM)

Income management was only one of a number of measures implemented as part of the NTER. The NTER policies and program can be grouped into the seven measures outlined in Table 2-3.

Table 2-3 NTER measures

<p>Measure 1: Welfare reform and employment</p> <p>Income management and community stores Increased participation opportunities for people on income support in remote communities CDEP transition to jobs and employment services Active school participation Community employment brokers</p> <p>Measure 2: Law and order</p> <p>Alcohol, drugs and pornography Increased police presence in communities National Indigenous Intelligence Taskforce Child Abuse Desk Northern Territory Aboriginal Interpreter Services Expansion of Northern Territory night patrol services Additional legal services for Indigenous Australians</p> <p>Measure 3: Enhancing education</p> <p>Additional classrooms Accelerated literacy program School nutrition program Volunteer teacher initiative Quality teaching package</p> <p>Measure 4: Supporting families</p> <p>Children's services and family support (crèches, playgroups and early childhood services) Child-at-risk workers for Northern Territory Child Protection Services Safe place for families escaping family violence Youth alcohol diversionary services</p>	<p>Measure 5: Improving child and family health</p> <p>Child health checks, medical follow-up and treatment Child special services Drug and alcohol response</p> <p>Measure 6: Housing and land reform</p> <p>Five-year lease program Urgent repairs to infrastructure Permits Community clean up Land compensation</p> <p>Measure 7: Coordination</p> <p>NTER Taskforce Government Business Managers Operations Centre Community engagement and volunteering Temporary accommodation of whole-of government staff Commonwealth Ombudsman support for NTER Logistical support for NTER</p>
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Source: AIHW (2010).

2.3 Objectives of NIM

The Evaluation Framework developed to guide this evaluation (SPRC & AIFS, 2010) provides an overview of the objectives of NIM. As documented, a number of different policy statements have talked about the objectives of NIM; central to these are Minister Macklin's second reading speech (Macklin, 2010b), and the Government's Policy Statement *'Landmark Reform to the Welfare System, Reinstatement of the Racial Discrimination Act and Strengthening of the Northern Territory Emergency Response'* (Australian Government, 2009); which identifies the aims of NIM being to:

'...provide for the welfare of individuals and families, and particularly children... by ensuring that people meet their immediate priority needs and those of their children and other dependents. Income management can reduce the amount of welfare funds available to be spent on alcohol, gambling, tobacco products and pornography, and can reduce the likelihood that a person will be at risk of harassment or financial abuse in relation to their welfare payments.'

'Governments have a responsibility – particularly in relation to vulnerable and at risk citizens – to ensure income support payments are allocated in beneficial ways. The Government believes that the first call on welfare payments should be life essentials and the interests of children.'

'In the Government's view the substantial benefits that can be achieved for these individuals through income management include: putting food on the table; stabilising housing; ensuring key bills are paid; helping minimise harassment; and helping people save money. In this way, income management lays the foundations for pathways to economic and social participation through helping to stabilise household budgeting that assists people to meet the basic needs of life. We recognise that these are benefits which are relevant to Indigenous people and non-Indigenous people in similar situations.' (Australian Government, 2009, p. 1)

The policy statement also identifies income management as a key tool in the Government's broader welfare reforms to promote responsibility and strengthen families by ensuring that income support payments are spent where they are intended.

The objectives of income management embedded in the legislation are:

(a) to reduce immediate hardship and deprivation by ensuring that the whole or part of certain welfare payments is directed to meeting the priority needs of:

(i) the recipient of the welfare payment; and

(ii) the recipient's children (if any); and

(iii) the recipient's partner (if any); and

(iv) any other dependants of the recipient;

(b) to ensure that recipients of certain welfare payments are given support in budgeting to meet priority needs;

(c) to reduce the amount of certain welfare payments available to be spent on alcoholic beverages, gambling, tobacco products and pornographic material;

(d) to reduce the likelihood that recipients of welfare payments will be subject to harassment and abuse in relation to their welfare payments;

(e) to encourage socially responsible behaviour, including in relation to the care and education of children;

(f) to improve the level of protection afforded to welfare recipients and their families (Social Security (Administration) Act 1999 - Section 123TB).

Income management limits expenditure of income support payments on excluded items, including alcohol, tobacco, pornography, gambling goods and gambling. It ensures that money is available for life essentials and provides a tool to stabilise people's circumstances, easing immediate financial stress.

According to the program logic, this change in expenditure patterns is expected to result in a number of other benefits for children, parents and the broader community. A reduction in negative expenditures may result in reductions in alcohol fuelled violence, substance abuse and risky behaviour. The promotion of positive expenditure patterns may result in meeting children's needs more effectively, including improved nutrition and increased spending on children's clothing and school-related expenses.

As a consequence of better spending on children, there may be improvements in positive health behaviours and improved educational attendance, which in turn could lead to improved educational outcomes.

In addition, the exemption criteria are intended to reinforce some of these positive outcomes. For example, families may be able to secure exemptions if their children are immunised and if they are attending school. Additionally, exemptions are available on demonstrating that children are engaged in activities such as structured, age appropriate social, learning or physical activities.

Overall, the program is intended to reinforce responsible parenting and more generally promote principles of engagement, participation and personal responsibility.

The Australian Government funds money management and financial counselling services through the Financial Management Program, which was established to build financial resilience and wellbeing among those most at risk of financial and social exclusion and disadvantage. The Program aims to help vulnerable people across a range of income and financial literacy levels to manage their money, overcome financial adversity, participate in their communities, and plan for the medium to long-term by fostering the improved use and management of money and helping people address immediate needs in times of financial crisis.

The provision of financial information, education and services and the new incentives for saving could lead to improved savings and household budgeting, which in turn could result, for example, in the ability to purchase needed consumer durables. Better financial management is intended to assist families in meeting important bills such as rent and utilities, which could in turn lead to more stable housing thereby reducing the risk of eviction, homelessness or sleeping rough.

It is also expected that certain sorts of child neglect could well be exacerbated by poor household financial management, for example, poor management may mean that children are hungry. It is also anticipated that income management will assist some individuals in resisting undesirable behaviour by their relatives and kin (i.e. harassment for money).

In broad terms, NIM is intended to set in motion a series of positive behaviours that will be mutually reinforcing. Outcomes are therefore expected to be:

- short-term, e.g. changed expenditure patterns, less expenditure on excluded goods, more expenditure on priority items
- medium-term, e.g. take-up of referrals to money management and financial counselling service providers, improved educational attendance
- long-term, e.g. acquisition of money management skills, improved employment opportunities and improved educational attainment.

The potential impacts of the model are not only expected to occur at the level of the individuals directly affected and their immediate families, but more generally in the communities in which these individuals live.

In addition from the perspective of evaluation, it is not only necessary to consider the outcomes of people while they are on income management but also when they may move off the program.

An important question in terms of the program structure is the relationship between the various program goals and the operation of the program. Specific here is the relationship between the actual control of spending through income management and the achievement of the 'socially responsible' behaviour which has been identified as one of the objectives. That is, to what degree is the type of virtuous circle that is identified above actually perceived on the ground and achieved in practice.

2.4 Overview of NIM

New Income Management (NIM) is a policy which involves limiting the ways in which income support recipients can spend a proportion, usually half, of their income support payments so as to ensure this money is spent on priority needs.

The actual income management component of the policy involves setting aside a proportion of a person's welfare payments which is to be used for the priority needs of the individual and children who are dependent on them. This objective is given effect by income managed money being provided in such a way (either through payments directly from Centrelink, the BasicsCard or other payment mechanisms) so that they are not able to be used to purchase 'excluded' goods. As noted above, these include alcohol, home brew kits, home brew concentrates, tobacco products, pornographic material, and gambling goods and activities.

New Income Management (NIM) encompasses four major streams of income management. These are Compulsory Income Management (CIM) – which in turn comprises the Disengaged Youth and Long-term Welfare Payment Recipients measures, the Vulnerable Welfare Payment Recipients measure – referred to here as Vulnerable Income Management (VULIM), Child Protection Income Management (CPIM) and Voluntary Income Management (VIM).

Compulsory Income Management is for people who have been on certain income support payments for an extended period, three months in the case of Disengaged Youth and 12 months for those affected by the Long-term Welfare Payment Recipients measure. Vulnerable income management applies to Centrelink customers who are identified as being vulnerable by a Centrelink social worker. Child Protection Income Management is for Centrelink customers referred for income management by Northern Territory Department of Children and Families who have responsibility for child protection issues in the Northern Territory. Voluntary Income Management is open to all income support recipients who decide that they would like to be income managed and who are not subject to one of the other streams of income management.

People who choose to go onto NIM as part of the Voluntary Income Management stream receive an incentive payment, while those on the compulsory program (compulsory, vulnerable or child protection income management) are eligible to participate in a program of matched savings. In addition, there has been an expansion of money management and financial

counselling services specifically designed to support the income management strategy.

Table 2-4 Australian Government payments that may be subject to income management

Widow Allowance	Income Support Supplement
Youth Allowance	Defence Force Income Support Allowance
AUSTUDY payment	Double Orphan Pension
Newstart Allowance	Family Tax Benefit
Sickness Allowance	Baby Bonus
Special Benefit	Maternity Immunisation Allowance
Partner Allowance	Carer Allowance
Mature Age Allowance under Part 2.12B	Child Disability Assistance
Parenting Payment (Partnered)	Carer Supplement
Parenting Allowance (other than non-benefit allowance)	Mobility Allowance
Age Pension	Pensioner Education Supplement
Disability Support Pension	Telephone Allowance
Wife Pension	Veterans Supplement
Carer Payment	Utilities Allowance
Parenting Payment (Single)	Assistance for Isolated Children Scheme, where the payment relates to a child or children at a Homelands Learning Centre
Bereavement Allowance	ABSTUDY payment that includes an amount identified as Pensioner Education Supplement
Widow B Pension	Social Security Bereavement Payment
Disability Wage Supplement	Veterans' Entitlement Bereavement Payment
Mature Age Partner Allowance	Northern Territory CDEP transition payment
Special Needs Pension	Various Advance Payments
ABSTUDY with living allowance	Pharmaceutical Allowance
Service Pension	

Individuals subject to Compulsory, Vulnerable and Voluntary Income Management have 50 per cent of their Centrelink payments income managed. For those on Child Protection Income Management this proportion rises to 70 per cent. Lump sum payments are income managed in their entirety (100 per cent). Examples of the lump sum payments are ABSTUDY with a Living Allowance and Pensioner Education Supplement arrears, all advances, Study Start-up Scholarship and Relocation Scholarship.¹⁶ In addition, the Baby Bonus is income managed at 100 per cent.

If a person is subject to income management, then all of the Centrelink or Department of Veteran Affairs payments shown in Table 2-4 will also be subject to income management. The main Centrelink payments which can act as trigger for the compulsory streams of income management are Newstart Allowance, Parenting Payment and Youth Allowance. Further details are discussed in Section 2.4.1.

¹⁶ The amount of income that is subject to income management is calculated after deducting automatic deductions such as Child Support and government debt.

2.4.1 Compulsory Income Management (CIM)

Compulsory Income Management applies to two groups of income support recipients. The first, under the Disengaged Youth Measure, are people aged 15 to 24 years who have been receiving one of the following payments for three of the past six months: Youth Allowance; Newstart Allowance; Special Benefit¹⁷; and Parenting Payment Partnered or Parenting Payment Single. The second, under the Long-term Welfare Payment Recipients measure are people aged 25 years and older who have been receiving one of the following payments for more than one of the past two years: Youth Allowance; Newstart Allowance; Special Benefit; and Parenting Payment Partnered or Parenting Payment Single.

Exemptions

Individuals who are subject to Compulsory Income Management because of the type of payment they receive and their duration on the payment are entitled to seek an exemption if they believe that they can satisfy the exemption criteria¹⁸. The criteria for exemption differ according to whether the person has dependent children.

Those with dependent children can obtain an exemption if they can meet two criteria related to:

- responsible parenting, and
- financial vulnerability.

In broad terms responsible parenting is assessed on the basis of school aged children attending school regularly for the past two terms or semesters (no more than five unexplained absences in a school term or semester). For those with pre-school aged children, the parent must meet a set of health and/or engagement requirements. These include appropriate participation in early childhood services or child care, and having appropriate vaccinations and health checks. The exemption criteria must be satisfied for all children under the responsibility of the parent.

Examples of the types of evidence required in order to demonstrate responsible parenting are:

- school report
- letter from the Department of Education
- proof of vaccination or formal conscientious objection to vaccination
- report from medical or nurse practitioner or allied health professional
- child's personal health record

¹⁷ Only some persons on Special Benefit are subject to Income Management.

¹⁸ Effectively a person can apply for an exemption at any time while they are income managed. There are special provisions with regard to the actual implementation date of income management for those who seek an exemption when they are notified of the intention of Centrelink to place them on income management.

- copy of customer's Medicare record showing that the child has attended a medical appointment
- evidence that the child is attending approved child care.

Financial vulnerability is assessed on the basis of a person demonstrating that they have been:

- applying appropriate resources to meet their priority needs and the priority needs of their family
- using money management strategies (such as stable payment patterns and budgeting practices) to manage their financial resources, and it is likely the person will continue to do so in the future
- exercising control over their money and was not subject to financial exploitation
- has not regularly required urgent funds to pay for foreseeable costs, and did not frequently change their income support pay dates. Consideration must be given to the reasons for seeking the urgent payments or changing the payment dates.

Further details of the test are given in Appendix F.

For individuals without dependent children who have been assessed as meeting the criteria for being subject to Compulsory Income Management, an exemption from income management is available if the person satisfies one of the following criteria, they:

- are a full-time student or new apprentice, or
- they have worked for 15 hours or more per week for at least the minimum wage for at least six of the last 12 months (FaHCSIA, 2010).

Examples of the evidence required to demonstrate the meeting of these criteria are:

- payslips
- details of verified work hours on the customer's Centrelink record
- a letter from their employer
- profit and loss statement for customers who are self-employed.

If granted, an exemption to being subject to Compulsory Income Managed applies for a 12 month period, except for where there is a defined end-date such as at the end of an apprenticeship, or when a student ceases full-time study, or when the person's circumstances change significantly such as a change in dependants. It is possible for an individual to have an exemption from Compulsory Income Management and then to go onto Voluntary Income Management. They may choose to do this in order to qualify for the Voluntary Income Management Financial Incentive Payment (see below). Similarly, it is possible that a person could have an exemption from Compulsory Income Management but be referred to income management by the Northern Territory Child Protection Authorities.

2.4.2 Vulnerable Income Management (VULIM)

Vulnerable Income Management¹⁹ is another compulsory form of income management. It is designed to provide Centrelink social workers with an additional tool to help individuals who are vulnerable and/or at risk (for example, individuals on an Age Pension or Disability Support Pension who are subject to financial harassment, or who have an impaired capacity to manage their finances). It is a stream of income management for people not within scope of either the Long-term Welfare Payment Recipients or Disengaged Youth measures, who Centrelink considers would benefit from income management in order to meet their social and parental responsibilities, to manage their money responsibly, and to build and maintain reasonable self-care. In order to be considered for Vulnerable Income Management a person has to be in receipt of a trigger payment (termed a Category H payment).²⁰

In deciding whether a customer should be income managed under the Vulnerable Welfare Payment Recipients measure, Centrelink is required by *Social Security (Administration) Act 1999* to consider:

- *‘whether the person is experiencing an indicator of vulnerability*
- *whether the person is meeting their priority needs and the priority needs of their partner, children or other dependants*
- *whether income management is an appropriate support for the person experiencing vulnerability to meet their responsibilities, to build and maintain self-care and to manage their money.’* (Australian Government, 2012, Section 11.4.2.10).

With regard to the first of these criteria the specified ‘Indicators of Vulnerability’ are:

- Financial hardship: A person is defined as experiencing financial hardship where they are unable to access or engage in activities that meet their priority needs due to a lack of financial resources. The receipt of income support in itself does not define a person as experiencing financial hardship, rather a lack of skills or an ability to manage limited resources may result in financial hardship.
- Financial exploitation: This is considered to occur when a person is subject to undue pressure, harassment, violence, abuse, deception or exploitation for resources by another person or people, including other family members and community members.

¹⁹ The full name for this measure is the Vulnerable Welfare Payment Recipients measure.

²⁰ Category H payments are Widow Allowance, Youth Allowance, AUSTUDY payment, Newstart Allowance, Sickness Allowance, Special Benefit, Partner Allowance, Mature Age Allowance under Part 2.12B, Parenting Payment (Partnered), Parenting Allowance (other than non-benefit allowance); Age Pension; Disability Support Pension; Wife Pension; Carer Payment; Parenting Payment (single); Bereavement Allowance; Widow B Pension; Disability Wage Supplement; Mature Age Partner Allowance; Special Needs Pension; ABSTUDY with living allowance; Service Pension; Income Support Supplement; and Defence Force Income Support Allowance.

- Failure to undertake reasonable self-care: This may be due to factors including, but not limited to, substance abuse issues, problem gambling, and mental health issues.
- Homelessness or risk of homelessness: Where the person does not have, or is at risk of not having, access to safe, secure and adequate housing (Australian Government, 2012, Section 11.4.2.20).

The assessment of an individual as being a Vulnerable Welfare Payment Recipient is made by a Centrelink social worker.

While the direct involvement of Centrelink in income management for vulnerable people through this measure is new, it is important to note that a range of mechanisms have been in place for some time which effectively involve ensuring that income support and related payments for vulnerable people are managed in a way to ensure they are used appropriately. At the most extreme, this has involved the option of the appointment of the Public Trustee, or some other person as trustee for the management of a person's affairs, including their income support payment. In other cases, income support has been paid on a more frequent basis to enable people to have some funds available across the payment cycle.

2.4.3 Child Protection Income Management (CPIM)

Child Protection Income Management is a specific measure which involves a higher level of income being income managed. It is provided as a tool which can be used by Northern Territory Department of Children and Families to assist in the management of child abuse and neglect. This form of income management applies at the discretion of a Northern Territory child protection caseworker and allows people to be referred for compulsory income management if it is deemed that income management might contribute to improved outcomes for children at risk. In order to be considered for Child Protection Income Management, an individual or their partner must be in receipt of a 'Category H payment'. (These have been detailed previously in footnote 20) and include, in addition to the trigger payments for Compulsory Income Management, payments such as the Disability Support Pension.

In deciding to refer someone to Child Protection Income Management the child protection worker is required to consider the following factors: the best interests of the child or children or young person or people; the manner in which Centrelink benefits are being used; the availability of additional support services such as financial management services; and whether income management will improve their circumstances (FaHCSIA, 2011a).

2.4.4 Voluntary Income Management (VIM)

Voluntary Income Management applies to income support recipients who volunteer for income management. The intention is that Voluntary Income Management can assist people to meet their priority needs and to learn how to manage their finances for themselves and/or their family in the long-term. People may decide to participate for a variety of reasons including the effective role of the BasicsCard in the provision of fee free banking services, or the value of the financial incentive. In order to be considered, an individual or their partner must again be in receipt of a 'Category H payment'; Chapter 4 shows that most

of the people on this program are on Disability Support Pension, the Age Pension and Carer Payment.

When people start Voluntary Income Management they must wait 13 weeks before they can choose to stop being income managed, after which they can stop at any time. There is no set end date to Voluntary Income Management.

In deciding whether or not to allow an individual to participate, Centrelink needs to assess whether the person's circumstances make them suitable to be income managed. One factor that is taken into account is the amount of Centrelink payments the customer receives. If they receive only a small amount (e.g. \$50 per week) then the customer may be advised that Centrepay may be a better option²¹. Centrelink can stop the Voluntary Income Management agreement at any time if the person ceases to meet the eligibility criteria.

If a person participates for 26 continuous weeks, they are eligible for the Voluntary Income Management Incentive Payment of \$250. This incentive payment is paid for each 26 continuous weeks spent on Voluntary Income Management and the payment is income managed at 100 per cent.

An individual could meet the criteria for more than one income management measure at the same point in time. If this occurs, there is a hierarchy of the income management measures that apply. The hierarchy from highest to lowest is Child Protection Income Management; Vulnerable Income Management; Compulsory Income Management; and Voluntary Income Management. If an individual ceases one form of income management, and they meet the criteria for a measure that is lower in the hierarchy, they will be changed to that type of income management. For example, if a person on Vulnerable Income Management is no longer considered vulnerable by Centrelink, they may still be subject to Compulsory Income Management and will continue to be income managed.

2.4.5 Matched Savings Payment

The Matched Savings Payment is a component of NIM which is designed to encourage people on income management to develop a savings pattern and increase their capacity to manage their money. Under this scheme Centrelink matches savings dollar for dollar, up to a maximum of \$500. In order to be eligible for the Matched Savings Payment, the person has to complete an approved money management or similar approved course, and have achieved a 'pattern of saving' over a minimum of 13 weeks.²² The Matched Savings Payment is available to people subject to Compulsory Income Management, Child Protection Income Management and Vulnerable Income Management. A person can only receive a Matched Savings Payment once.

The matched savings have to be from non-income managed income (discretionary income) and are saved into a non-income management account that the individual needs to hold with a financial institution. In order to receive

²¹ Centrepay is a voluntary bill paying service provided to people who receive regular payments from Centrelink. It is a free service to the user.

²² The individual can start saving for the Matched Savings Payment as soon as they have registered for the money management course. They do not need to have completed the course at the time they start saving.

the matched amount, the person subject to income management must provide Centrelink with a certificate showing completion of an approved money management course to Centrelink and in addition must provide a Financial Institution Statement which shows their regular payments into their account.

2.4.6 Money management and financial counselling

As part of the NIM package, \$53 million is available over four years, from 2010-11, for financial counselling via the Commonwealth Financial Counselling program²³ and money management services. These services are designed to improve the financial literacy and ability to manage money of people being income managed (FaHCSIA, 2012a).

Money management

Twelve community organisations have been contracted by the Australian Government to provide money management services as part of the NIM package. As at 30 December 2011 these organisations employed 67 people in the Northern Territory.²⁴

People with complex financial issues or those in financial stress or crisis may be referred to financial counsellors who are able to provide more detailed and a higher level of assistance.²⁵

The types of support that can be provided by money management services are:

- providing education and intensive coaching in financial literacy and budgeting
- providing tools to implement individual and family budgeting and savings, and debt management plans, including on-going budget monitoring
- organising related family support and referrals
- assisting with accessing financial institutions and financial services information
- delivering education and information sessions relating to money management services that meet local community needs
- delivering approved money management courses to improve participants' understanding of how to manage their money, plan for the future, and find out what services are available to them.

One of the services provided by money management services is an approved money management course. Such courses are based on the Financial Literacy Competency Standards from the Financial Services Training Package. The

²³ Commonwealth Financial Counselling is a service strategy under the Australian Government's Financial Management Program. Services are delivered by community and local government organisations and help people in personal financial difficulty to address their financial problems and make informed choices. Services may include direct casework (e.g. provision of advice and information), advocacy and/or negotiation; referral; and community education.

²⁴ Figures provided by FaHCSIA in April 2012.

²⁵ Services provided by financial counsellors may include direct casework (e.g. provision of advice and information); advocacy and/or negotiation; referral; and community education. Circumstances that can lead to personal financial difficulty include unemployment, sickness, credit over-commitment and family breakdown (FaHCSIA, 2012a).

course is to cover topics such as developing and using a personal budget, developing and using a saving plan, and developing an understanding of debt and consumer credit (Australian Government, 2012, Section 11.1.15.20).²⁶

2.5 Entry onto NIM

Entry into NIM needs to be understood in the context of the initial rollout of NIM and the transition from NTER IM to NIM, and how people who newly become subject to income management enter into NIM.

2.5.1 Initial rollout of NIM

Implementation of NIM commenced on 9 August 2010 in the Barkly region (Zone 1). The program was then progressively rolled out geographically from the south to the north of the Northern Territory. The second region to have NIM implemented was Alice Springs, Katherine, East Arnhem Land and other outback areas commencing on 30 August 2010. The rollout in the remaining outback areas commenced on 2 September 2010 and in Darwin and Palmerston NIM was implemented from 4 October 2010 (Zone 3) (Macklin, 2010a).

A sense of the rollout is provided by the changes in the number of people on NTER IM. In July 2010 there were 16 726 individuals on NTER IM. By October 2010 this had fallen to 1 713; by February 2011 it had fallen to 118 and the number on NIM was 15 754.²⁷ Thus the rollout of NIM in terms of the transition of people who had been on NTER IM had largely been completed by February 2011,²⁸ although a substantial proportion of non-Indigenous people subject to income management entered the program between February 2011 and July 2011.²⁹

The process for moving onto NIM depended upon whether an individual was subject to NTER IM at the time of the transition from NTER IM to NIM and, if

²⁶ Language, literacy and numeracy assistance is available through the Financial Management Resource Unit for all FaHCSIA funded money management workers. Prior to commencing accredited training a skills and competencies analysis is undertaken to determine the appropriate training pathway for each worker.

²⁷ From 1 July 2010 no new people could become subject to NTER Income Management. The transition from NTER Income Management to NIM started in August 2010. NTER Income Management ceased completely on 30 June 2011 (Australian Government, 2012, Section 11.8).

²⁸ As of 11 February 2011 there had been:

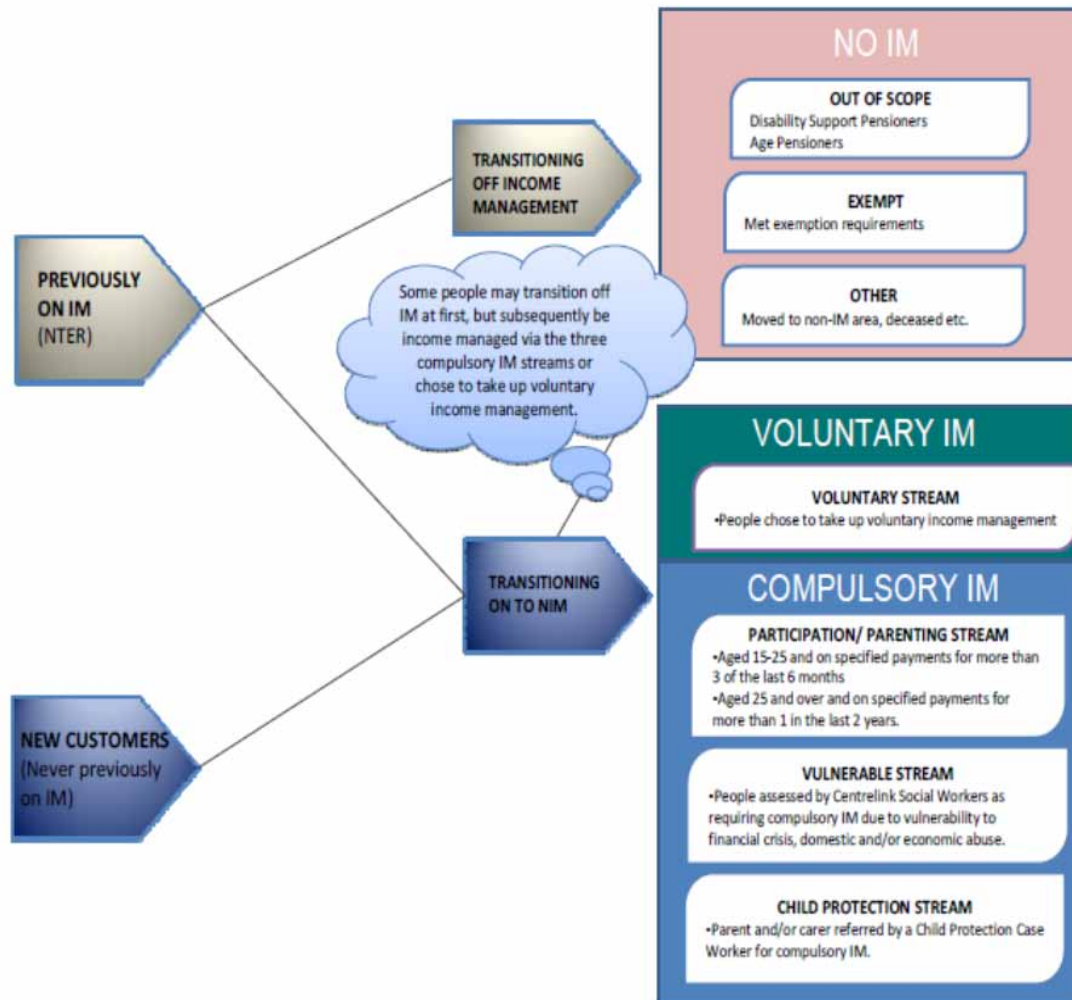
- 5 094 letters sent to Centrelink customers who met the criteria for compulsory income management but who were not on NTER IM
- 9 323 letters sent to customers who were previously on NTER IM and are now subject to Compulsory Income Management
- 229 letters sent to customers who were on NTER IM and who are no longer subject to Compulsory Income Management.

Around 4 February 2011 a letter was sent to 229 people who remained on NTER IM (because they no longer qualified for income management under NIM). These people had not met with Centrelink as of late January or early February 2011 and therefore had remained in NTER IM. The letter explained that that if they did not come and talk to Centrelink about income management then their income management would cease on 30 June 2011. A copy of the letter sent is at Appendix A.

²⁹ Between 29 October 2010 and 25 February 2011 the number of non-Indigenous people subject to IM increased from 430 to 999 and between 25 February and 29 July 2011 to 1 576.

subject to NTER IM, whether they would qualify for Compulsory Income Management.

Figure 2-3 From old to new: an illustration of major pathways to new income management (NIM)



2.5.2 Subject to NTER IM and subject to Compulsory Income Management

All individuals who were on NTER IM who became subject to compulsory forms of NIM, as a consequence of the type of income support payment they received and the length of time they had been in receipt of the income support payment, were automatically transferred to Compulsory Income Management under NIM.³⁰

The general approach taken was that when individuals came in contact with Centrelink they were advised that the form of income management they were on had changed and how the new income management operated, and that they

³⁰ The one exception were people who were recorded as being full-time students, who were automatically provided with an exemption.

could choose to apply for an exemption if they wished and believed they could meet the exemption criteria.

2.5.3 Subject to NTER IM and not subject to compulsory income management under NIM

When the transition from NTER IM to NIM commenced in a particular area, those subject to NTER IM, but not subject to the compulsory NIM measures, continued under the NTER IM arrangements until they had an interview with Centrelink. In the interview with Centrelink it was explained to them that they would cease being subject to NTER IM and that they could either volunteer for Voluntary Income Management or stop being income managed (except for those placed on Child Protection or Vulnerable Income Management). Those who were not transitioned to a compulsory form of NIM were mainly receiving the Disability Support Pension or the Age Pension

2.5.4 Not subject to NTER IM but subject to compulsory income management

This group were either:

- people who were living in an NTER area but who became eligible for Compulsory Income Management after NIM started replacing NTER IM, because of the length of time they had been in receipt of income support payments, or
- people who are living in a non-NTER area into which income management has expanded.

This group received a letter advising them that they were subject to Compulsory Income Management and that they needed to contact Centrelink. If they did not attend the scheduled interview with Centrelink, in urban areas they became subject to income management after 28 days. In remote areas this period was extended to 56 days to take account of the potential problems with arranging a meeting with Centrelink. If they were placed on income management after failing to attend a scheduled interview, half of their payments started being placed in their income management account. The person was however unable to spend this until they obtained a BasicsCard or made other arrangements to allocate their income managed money to approved spending. This group had the opportunity to apply for an exemption if they believed that they met the criteria for exemption.

2.6 Exiting from income management

The main ways of exiting from Compulsory Income Management are:

- the individual obtains an exemption from income management
- they no longer receive an income support payment which is subject to Compulsory Income Management

- an excluded payment nominee is appointed in relation to the individual (effectively an approved person takes responsibility for their money³¹)
- the person moves away from a declared income management area.

For those participating in Voluntary Income Management, they may choose to leave the program at any time 13 weeks after first commencing in the scheme, or they may leave the program if they move outside of a Voluntary Income Management area or are no longer eligible.³² In addition, Centrelink can end Voluntary Income Management if the individual is no longer receiving an income support payment, it is no longer feasible to deliver income management services to the person, or an excluded payment nominee is appointed.

Individuals on Vulnerable Income Management can exit in the following ways:

- if the individual is no longer seen as requiring or benefitting from income management
- if they are no longer receiving income support payments
- if an excluded payment nominee is appointed in relation to the individual
- where the individual moves away from a declared income management area.

Individuals on Child Protection Income management can exit from income management in the following ways:

- the period of income management specified in the original notice ends
- the relevant child protection worker revokes the notice to apply income management
- the person is no longer receiving an income support payment (or they don't receive an income support payment and their partner's income support payment ceases)
- an excluded payment nominee is appointed in relation to the individual.

2.7 Spending income managed funds

There are several ways in which individuals who are subject to Income Management can spend their income managed money. These comprise: (i) using their BasicsCard (a type of EFTPOS card) at an approved merchant; (ii) by allocating money to cover certain regular expenses (e.g. rent, utility bills, school nutrition program) and having Centrelink make payments direct from the income managed money³³; or, (iii) by organising for Centrelink to make one-off payments to a merchant for a particular good or service.

³¹ These 'excluded payment nominees' include: a public trustee; a payment nominee who is not subject to income management; or an organisation.

³² In addition, an individual can opt out of Voluntary Income Management within 28 days of first commencing Voluntary Income Management.

³³ This is similar to the Centrepay system which Centrelink has run for a number of years and which provides for regular direct debits to pay for specified expenses.

Allocations

How an individual spends their income managed money is determined in an 'allocation interview' with Centrelink. This occurs when they first become subject to income management and involves the individual meeting with a Centrelink customer service adviser. At this meeting, the individual's priority needs (things such as food, housing, education expenses and so on) are identified and a plan is developed to work out how these priority needs will be met. Decisions are then made as to the relative spending in different areas and the way in which this will be undertaken. The individual is able to change their allocations at any time provided that Centrelink is satisfied that priority needs continue to be met.

The advice to Centrelink staff is that regular expense allocations for the following priority needs (where applicable) should be set up: school nutrition program; food; medical expenses; rent; and utilities (e.g. electricity, gas, water). If a regular expense allocation is not set up for any of these priority needs, the Centrelink customer service adviser needs to ascertain why and how the customer is meeting these needs. The Centrelink data on allocations shows that the majority of income managed money is allocated to the BasicsCard (Chapter 5).

If their priority needs have been met, a person can allocate income managed funds to items that are not priority needs (as long as they are not excluded items), and they can also plan ahead to buy larger items, such as motor vehicles or whitegoods with their income managed funds.

The Guide to Social Security Law lists 4 guiding principles that '*should be used in all decisions about the use of income managed funds*':

- *While the delegate has authority to make decisions about a person's income managed payments, the person should also have significant input to these decisions. The intention is to help the person meet their priority needs.*
- *Where a person has funds in their income management account, and the delegate is aware of an unmet priority need of the person, their partner, children and/or other dependants, then the delegate must take action to meet that need.*
- *Income managed funds cannot be unreasonably withheld from a person. If current and reasonably foreseeable priority needs have been met and a person seeks access to unspent funds, this request should be granted. The delegate should discuss the purpose of access to unspent funds; so that the delegate is assured that the payment will not be spent on excluded goods or services.*
- *If a person has children or other dependants in their care, the delegate must have regard to the best interests of those children and/or dependants in deciding how income managed funds should be used.'* (Australian Government, 2012, Section 11.1.3.10).

BasicsCard

All of those subject to income management are offered a BasicsCard, although it is not compulsory, and in some circumstances Centrelink can withdraw the card. In practice, the vast majority of individuals subject to Income Management have a BasicsCard (see Chapter 6).

The BasicsCard is a PIN protected card that lets people spend their income managed money at approved stores and businesses using the EFTPOS system. The BasicsCard has a maximum daily spend limit of \$1 500 and its balance cannot exceed \$3 000. People being income managed have the option to set a lower daily spend limit and a lower maximum balance. Centrelink has the discretion to cancel or suspend operation of a BasicsCard. Similar to an EFTPOS or credit card, the BasicsCard has standard terms and conditions.

The BasicsCard can, in certain circumstances, be used to make 'lay-by' payments. If a purchased good is returned, the money is refunded back to the account attached to the BasicsCard. The rules preclude the giving of a cash refund.

An important aspect of the BasicsCard is it is fee free and has no direct transaction costs associated with its use. Replacement cards are provided free of charge. This is important in the context of remote communities, where high bank fees and transaction costs have been a major problem (House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2009b).

BasicsCard holders receive a statement of transaction on their BasicsCard every three months or upon request from Centrelink.³⁴ Customers can check the balance of their BasicsCard in several ways. These include by:

- having a BasicsCard balance printed on EFTPOS receipts³⁵
- using a BasicsCard Kiosk³⁶
- by calling the Income Management line (run by Centrelink)
- checking the online BasicsCard balance enquiry service operated by Centrelink
- visiting any Centrelink Customer Service Centre.

In March 2012 there were 698 merchants in the Northern Territory able to accept a BasicsCard (see Chapter 6).

2.8 Reviews of income management decisions

A Centrelink customer who disagrees with an income management decision such as to place them on Compulsory or Vulnerable Income Management or who has an application for exemption from Compulsory Income Management

³⁴ Centrelink is required to provide all people subject to income management a summary of their income managed account which includes the balance of their IM account, balance of their BasicsCard account, transaction statements for the IM and BasicsCard accounts.

³⁵ This option at the time of preparing this report was offered by Coles Supermarkets, Coles Express, Target, Target Country, Kmart, Kmart Tyre and Auto Service and Bi-Lo.

³⁶ Available in 10 sites in the Northern Territory.

rejected, as with other Centrelink decisions, has access to the full range of appeal rights through Centrelink's Authorised Review Officers, the Social Security Appeals Tribunal, the Administrative Appeals Tribunal and court appeals. In addition, individuals on Vulnerable Income Management have access to the Centrelink Social Workers reconsideration process.

Where a decision to place a person onto income management or to refuse an exemption is being reviewed under Social Security Law, the person continues to be income managed while their review is considered, unless otherwise directed by the relevant tribunal or court.

In the case of those subject to Child Protection Income Management, the imposition of income management can be appealed by making application to the child protection authority within the Northern Territory Department of Children and Families (DCF) with regard to the decision by this agency to refer them for income management. Individuals can also appeal a Centrelink decision related to how their Centrelink or Department of Veteran Affairs payments are being income managed.

Access to exemptions and appeals are considered in detail in Chapter 8.

2.9 Broader context

As has been indicated earlier in this chapter, NIM is only one of a range of policies impacting on people in the Northern Territory. Two specific areas which should be noted, because of the extent they impact on many of the same people who are subject to NIM, are the Northern Territory Intervention and the Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM).

2.9.1 Northern Territory Emergency Response (NTER)

The Northern Territory Emergency Response (NTER) intervention has been discussed in Section 2.2. While a number of the activities under the NTER were short-term immediate interventions, a larger share are ongoing policies and programs. A number of these directly complement NIM, such as action to control alcohol, drugs and pornography, while many more are interventions which complement the wider goals.

2.9.2 Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM)

The objective of SEAM is to encourage parents (or those with responsibility for a child) to ensure that children of compulsory school age are enrolled in school and attending school regularly.

In the first instance SEAM seeks to identify enrolment and attendance problems and puts in place assistance, such as the offer of Centrelink social work support to families, to fix these problems.

Where this initial intervention is unsuccessful in achieving a suitable outcome the program can involve the suspension of income support payments.³⁷ The

³⁷ If income support payments are suspended and subsequently the child returns to school on a regular basis within 13 weeks, the income support payments are reinstated with back pay.

purpose of this punitive element is '*to encourage responsible parental or carer action*' (DEEWR, 2012b)

The program has operated in six sites in the Northern Territory since January 2009.³⁸

2.10 Conclusion

This chapter provides an overview of the design of NIM and how it operates. Subsequent chapters deal with specific aspects of NIM and provide further details on design and operation of aspects of NIM.

In terms of understanding the impact of the program, it is important to note the extent to which it is only one of a range of policy interventions in the Northern Territory, and that the experience and views of individuals are likely to be shaped not just by NIM but also the preceding NTER IM arrangements.

³⁸ The Northern Territory sites are: Katherine, Katherine Town Camps, Hermannsburg, Wallace Rockhole, Tiwi Islands and Wadeye. The program also operates in six locations in Queensland.

3. EVALUATION METHODS

3.1 Introduction

This chapter outlines the methodological approach to the evaluation and sets out the rationale for this approach. The details of the methods used in each component of the evaluation will be discussed as each of those components is reported on. Here we outline the basic approach and how it has been adapted from the original Evaluation Framework (SPRC & AIFS, 2010).

3.2 Research methods

The evaluation method for this report consisted of three components:

- analysis of administrative data from Centrelink and other sources
- an online survey of service providers (intermediaries), supplemented by telephone and face to face interviews, and consultation with external stakeholders
- a survey of people who were on income support payments and subject to income management in the Northern Territory and a similar survey of people on income support in locations outside of the Northern Territory.

This report does not address the economic evaluation, for which findings will be provided in later reports.

3.2.1 Analysis of administrative data

Data sources

All the data reported in these sections is derived from the central income support database maintained by Centrelink. This has been used by Centrelink and FaHCSIA staff to generate several secondary datasets that will be used for the analysis. These include:

- the FaHCSIA Housing Dataset. This dataset was originally generated for the purpose of examining housing costs and assistance policies. It has been augmented with information on income management for the purpose of this evaluation. The population dataset is all Australians receiving income support payments, with data available for this project annually since 2001 and quarterly since 2007
- a quarterly snapshot data for all payment recipients in Australia (since July 2010)
- current data on all income management clients (quarterly since July 2010)
- transaction data for income management clients, linked with data from the quarterly snapshots.

These data have been provided by FaHCSIA to the evaluation team for the purposes of the evaluation of NIM under strict conditions of data security and confidentiality. Individual identifiers such as names, addresses and Customer Reference Numbers were stripped from the records prior to being provided to the SPRC.

Availability of administrative data

During the course of the baseline study, numerous attempts were made by the evaluation team as well as by FaHCSIA to obtain a wider range of data from sources other than Centrelink, including confidentialised individual level, or detailed regional level, data on crime, hospital admissions, school attendance, alcohol consumption, health checks, NAPLAN results and school attendance. Unfortunately these data have largely not been made available, even in aggregate form. Further, to the extent aggregate data is available, the most recent is for 2010 or early 2011. While such data may provide a baseline for the evaluation of NIM, they do not yet provide any insight into the effects of NIM at the population level. In later reports we will provide updates of these data as they become available. It will then be possible to track changes over time, at least at an aggregate level. The evaluation team will continue to seek individualised unit, or small area data which can be linked to income management in order to better match outcomes to individuals and families involved with NIM.³⁹

There are some inherent limitations as to what the administrative data can tell about the operation of NIM. Most notably, the primary aim of NIM is to change the spending patterns of people on income support. The financial data only provides information on what people spent with the proportion of their income which is income managed. There are no data on how people spend the discretionary portion of their income (and these data will not be available to the evaluation in the future). We also have no data on spending patterns before the introduction of income management, nor of spending patterns of people who have exited from NIM. Thus the evaluation will not have a complete picture of spending patterns and how they change over time.

3.2.2 Primary data collection with key stakeholders

The primary data collection with key stakeholders involves four components:

- qualitative interviews (primarily face to face, as well as via the telephone) with a sample of staff from Centrelink, Northern Territory Department of Children and Families (DCF) child protection, and Commonwealth funded money management and financial counselling services
- an online survey which invited all staff involved in NIM from Centrelink, Northern Territory Department of Children and Families child protection workers (referred to as DCF child protection for the rest of this report) and Commonwealth funded money management and financial counselling services

³⁹ We will track individuals through the next wave of the Longitudinal Survey of New Income Management (LSNIM), see Section 3.2.3.

- a telephone survey of a sample of merchants who are registered to accept the BasicsCard
- consultation with service providers and peak bodies not included in the baseline surveys/interviews.

Survey content

The survey of Centrelink, DCF child protection and money management and financial counselling services covers the following areas:

- preparedness to implement NIM (training, information)
- knowledge of NIM and how to implement it
- attitudes and expectations of what it will achieve
- resources available to staff to implement NIM (training and other resources)
- inter-agency collaboration (referrals, protocols)
- outcomes (early impacts on clients).

The survey of merchants explores the potential impact of NIM on their stores, how this might affect their customers and their own attitudes towards NIM and the use of the BasicsCard.

A more detailed description of the primary data collection is provided in Chapter 10, and the survey instruments are provided in Appendix C.

It is intended to conduct two further surveys of stakeholders for this evaluation – in late 2012 and again in late 2013. This will enable the evaluation to examine the longer term implications of implementing NIM and the effects of refinements to the policy which may occur over time.

3.2.3 Longitudinal survey of New Income Management, Wave 1

One of the important unknowns about NIM is the extent to which those individuals subject to income management believe that it has had a positive (or negative) impact on their lives, and if so, why. This question cannot be answered through analysis of administrative data and it was therefore decided to conduct a survey of people who have experienced income management. Another purpose of the survey is to provide an opportunity for those subject to income management to provide feedback; both into this evaluation, and into the overall policy making process. This cohort will be followed up in 2013 to identify the longer term impacts of income management.

A survey was conducted of people in the Northern Territory who had been subject to income management, and a contrast group of Centrelink clients in similar circumstances in remote and regional locations in Queensland, South Australia and Western Australia. One tenth of the Northern Territory respondents were asked to participate in a qualitative in depth interview to examine in more detail the impact of income management on their family, their experiences of the BasicsCard, and their motivations for staying on or attempting to move off income management.

The purpose of the survey was to gather the views of people who had been subject to income management on the impact of income management on their

own wellbeing and that of their families and communities, and the changes which have taken place since the introduction of the new scheme. The survey also asked about their interactions with Centrelink, whether they had tried to exempt themselves from income management, and what other services they had accessed. A summary report of the fieldwork is provided in Appendix B and a copy of the questionnaire is provided at Appendix C.

The survey will be repeated in 2013 and the cohort will be followed up so that the evaluation will be able to examine the longer term effects of income management on participants. Eighty five per cent of respondents to the first wave of the LSNIM agreed to participate in the second wave. By comparing changes in the intervention population with the comparison group who were not subject to income management, we will be seeking to assess whether changes in the lives of participants and their families have been a result of IM or whether other factors are at work. The first wave can only tell us about participants' perceptions of changes in their lives, and their views about the extent to which those changes have come about as a result of income management.

The survey was conducted by Colmar Brunton Social Research. Details of the sampling strategy, recruitment and survey methods are described in more detail in Appendix B. Here we provide a summary of the research sample.

Sample

It was originally intended to interview 1 000 people in the Northern Territory and 300 in contrast sites outside of the Northern Territory. In the end the total number of participants was 1 123. This comprised 305 in the contrast sites and 818 in the Northern Territory. The 10 per cent shortfall of Northern Territory interviewees was as a result of problems with gaining cooperation from the non-Indigenous population.

Survey sites

Participants were randomly selected from the Centrelink client database.

The research sites were chosen to reflect the diversity of the Northern Territory. Six remote Indigenous communities were chosen, three in the Top End and three in central Australia. In addition, interviews were conducted in Darwin and Alice Springs (including nearby communities and town camps). Communities were chosen because they had relatively high numbers of people subject to income management, were safe to visit during the data collection period, and where data collection did not clash with any other research activity.

Non-Indigenous participants were over-sampled in order to allow for analysis at the subgroup level and also to provide some insight into the possible impact of income management on non-Indigenous income support recipients.

The contrast sites included Cairns, where interviews were conducted with both Indigenous and non-Indigenous income support recipients, and two remote Indigenous communities in states other than the Northern Territory. The full target of 300 participants was attained for the contrast sites. Qualitative interviews were not carried out in the contrast sites.

Community consent

Community consent to undertake the research was obtained in each of the Indigenous remote communities and urban town camps. Consent to undertake research in the urban areas of Alice Springs, Darwin and Cairns was not required. The approach to community consent varied for each community. Relevant authorities in every Aboriginal community involved in the research gave written permission for the research to take place in their community.

Sampling issues

This is by far the largest sample of people subject to income management to date. It is also the only one which makes comparisons with similar people who are on income support and who are not subject to the NIM measure. However, this is not a random sample of people subject to income management. In particular people living in small remote communities are likely to be under-represented in this sample.

The sample was not stratified by NIM measure; although it was originally intended that people from all four of the NIM measures would be included in the sample, the very small number of people subject to the Vulnerable and Child Protection measures means that the findings for these groups cannot be reported separately. Details of the selection criteria for the two parts of the survey are listed in the Summary Report at Appendix B.

3.2.4 Practical challenges

The survey faced a number of practical challenges due to the tight timeframes between obtaining ethics approval and the submission date for this report. The fieldwork was required to be conducted in December 2011 through to February 2012. This is not an easy time to do fieldwork in the Northern Territory because it coincides with the wet season in the Top End and ceremonies throughout Indigenous communities. In addition, some of the communities were engaged in Sorry Business because of deaths within the communities. There were also some incidents in some of the communities during this period which necessitated delays in field work.

A challenge of a different type applied to the non-Indigenous populations of people in receipt of an income support payment, particularly in the Northern Territory, but also in Cairns. A large proportion of these people were not contactable because Centrelink did not have their correct details, and many others refused to participate in the survey.

3.3 Ethics approval

Ethics approval was sought separately for the baseline and main evaluation components (the latter including the survey of people on income management) from UNSW Human Ethics Research Committee and also from the Menzies School of Health Research and Top End Ethics Committee as well as the Central Australia Health Research Ethics Committee. Ethics approval for the fieldwork was gained in September 2011.

3.4 Consultation

A range of organisations were consulted during the development of the Evaluation Framework and these organisations were invited to be a consultation group for the main evaluation and were provided with copies of the longitudinal survey for comment.

4. THE NIM POPULATION – ROLLOUT AND CHARACTERISTICS

The focus of this chapter is on the characteristics of those subject to income management in the Northern Territory. It initially considers the trends in the number of people on income support and on income management as NIM was rolled out across the Northern Territory (including the transition of those who had previously been subject to the NTER IM). It then considers demographic and other characteristics, such as location, of those on income management, including the extent to which there are variations in the rate of income management across population subgroups.

This chapter draws on a series of Centrelink administrative datasets supplied for the purposes of this evaluation. In reporting on these it is noted that the data, as administrative by-products, are often complex and require various decisions to identify appropriate populations. There are also some minor discrepancies between various data sources. These are noted in the discussion, but are not considered to impose any significant limitations on the interpretation of results. The data has been perturbed in small cells to preserve confidentiality.

Where data is reported on Indigeneity, this refers to voluntary self-identification in Centrelink records. People who did not state their Indigenous status are included with non-Indigenous.

4.1 Income support recipients in the NT

In December 2011 there were 48 866 people living in the Northern Territory who received some form of Centrelink payment. Of these 9 571 received Family Tax Benefit (FTB) only, with the remaining 39 285 receiving some form of primary income support payment (e.g. Parenting Payment, Newstart Allowance, Age Pension). The analysis in this chapter focuses on those in receipt of a primary income support payment as this is a necessary requirement to be subject to income management.

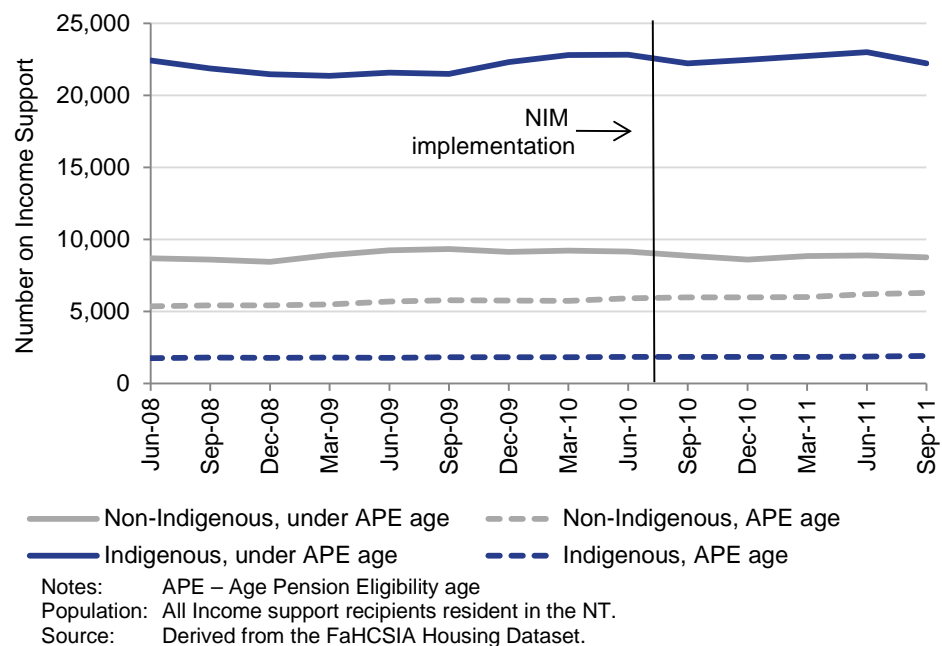
Some of the key characteristics of this population include:

- 72 per cent are under the Age Pension Eligibility (APE) age.⁴⁰
- 71 per cent of those aged under the Age Pension Eligibility age are Indigenous. 23 per cent of those at or over the Age Pension Eligibility age are Indigenous.

⁴⁰ The Age Pension Eligibility age as at December 2011 was 65 years for men and 63 for women. As part of the increase in the female APE to match that of males the actual APE for women increases by 6 months every 2 years. In all time series analysis the impact of this has not been taken into account but rather the December 2011 Age Pension Eligibility age has been used.

- 55 per cent of all of those in receipt of income support and below Age Pension Eligibility age are women. This comprises 57 per cent of Indigenous and 51 per cent of non-Indigenous income support recipients.
- In addition to the 7 585 people on the Age Pension the major income support payments in the Northern Territory include: the Disability Support Pension (10 399 recipients), Newstart Allowance (9 025 recipients), Parenting Payment Single (3 926 recipients) and Parenting Payment Partnered (2 891 recipients).

Figure 4-1 Northern Territory, number of income support recipients by Indigeneity and major age group, June 2008 to September 2011



Since June 2008, the number of income support recipients in the Northern Territory has grown slightly (by about 2.4 per cent), as illustrated in Figure 4-1. The most substantive movement in this period has been in the growth (by 17 per cent) in the number of non-Indigenous people above the Age Pension Eligibility age.

These trends have taken place in the context of relatively good labour market conditions. Australian Bureau of Statistics (ABS) data indicates that the unemployment rate in the Northern Territory which was 3.3 per cent in June 2008 remained relatively flat until early 2011 before rising to 4.3 per cent in December 2011. More marked was an increase in the labour force participation rate from 72.4 per cent in June 2008 to 74.7 per cent in December 2011.

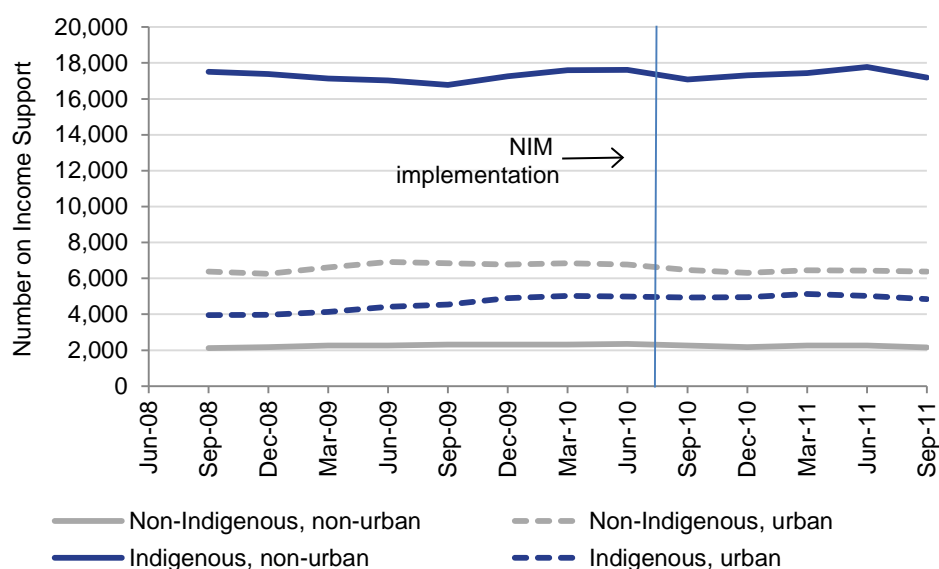
4.1.1 Trends in Indigenous income support recipients and the potential role of the NTER IM

Given the extent to which the NTER IM program was specifically targeted at certain, mainly Indigenous, communities and as there have been a number of other impacts on Indigenous Australians' receipt of income support, the potential population for NIM has changed over time. Figure 4-2 shows the trends in the number of income support recipients in the Northern Territory who

were under Age Pension Eligibility age, by self-identified Indigeneity in urban and non-urban areas.⁴¹

There has been an increase in the number of urban Indigenous people under Age Pension Eligibility age receiving an income support payment. The number increased rapidly from 3 963 in September 2008 to 5 027 in March 2010, after which it remained relatively stable before falling to 4 839 in September 2011. The trend in the much larger non-urban Indigenous population shows a more complex pattern. The number initially fell in the period up to September 2009 (from 17 507 to 16 769), before rising up until March 2010, then declining and rising again. In September 2011 it was at 17 186 a little below what it was 3 years earlier.

Figure 4-2 Northern Territory, Income support recipients under Age Pension Eligibility age by Indigeneity in urban and non-urban areas, September 2008 to September 2011



Population: Income support recipients resident in the Northern Territory aged under Age Pension Eligibility age.

Source: Derived from the FaHCSIA Housing Dataset.

In addition to the economic circumstances during this period, these patterns are likely to be attributable to three factors:

- The first is the effect of changes in the Community Development Employment Projects (CDEP) scheme. These changes, introduced in July 2009, had a range of consequences, including the removal of CDEP from locations with established labour markets and changes in the way in which participants were classified in the income support system. Prior to July 2009, CDEP participants were considered to be receiving CDEP wages and

⁴¹ For this chart, and in subsequent analysis, the definition of urban and non-urban is based upon a population density model specifically derived for the purposes of this analysis. People are defined here as living in an urban region if they live in an ABS Statistical Local Area where, in 2010, most Centrelink clients had more than 5 000 Centrelink clients living within 10 kilometres of them.

hence were not defined in this administrative data as being in receipt of income support. From July 2009 onwards, new CDEP participants were classified as income support recipients.

- The second potential impact arises from the introduction of income management under the NTER. Two possible effects which have been anecdotally reported are: out-migration of people from prescribed communities to other locations; and increased levels of income support receipt as a result of the NTER having identified some people who were not receiving their entitlements. The impact of such changes are outside the scope of this evaluation, although the decline in non-urban, and increase in urban levels of Indigenous income support receipt in the period up to September 2009, may be indicative of migration from remote to urban areas.
- The third factor is the extent to which other policies associated with the NTER, such as alcohol restrictions, resulted in some out-migration. It is considered that this mechanism is more likely to have had a significant impact. The reason for this is because people being income managed in the prescribed areas continued to be income managed if they moved out of those areas, and so migration to urban areas would not have affected their IM status.

4.2 The rollout of NIM

The rollout of NIM commenced in August 2010 (see Chapter 2). Initially it involved the transfer of people subject to NTER IM onto either a compulsory or voluntary form of income management, or off income management altogether (depending upon their preference and whether or not they were subject to the new targeting criteria). Table 4-1 illustrates the rollout of the program, and its subsequent development in terms of the number of people on both the NTER IM and NIM.

Table 4-1 Northern Territory, Number of people subject to Income Management by income management type, June 2010 to September 2011

	June 2010	September 2010	December 2010	March 2011	June 2011	September 2011
NTER IM	16 380	7 821	539	75	22	0
Compulsory IM	*	5 813	10 578	11 313	12 411	11 960
Voluntary IM	*	1 490	4 595	4 455	4 286	4 116
Vulnerable IM	*	15	119	204	222	223
Child Protection IM	*	*	*	*	26	60
Total	16 386	15 140	15 835	16 050	16 967	16 359

Notes: * = cell size of 5 or less. (Data in this table was not able to be fully perturbed.)
One person living in the Northern Territory but on Cape York income management excluded.

Source: FaHCSIA Housing Dataset.

Between June 2010 and September 2010 the number of people subject to NTER IM halved, and then fell again rapidly so that by December 2011 only 3.3 per cent of those who had been on NTER IM in June 2010 remained under

these provisions. By March 2011 this was further reduced to just 75 people.⁴² This was matched by a corresponding growth in the number of people subject to Compulsory Income Management and Voluntary Income Management. This growth was such that by December 2010 the number of people subject to Compulsory Income Management had reached 10 578 – increasing further to 11 960 by September 2011. Most of the growth in Voluntary Income Management occurred between September 2010 and December 2010. Since then the program has shown a slight, but relatively steady decline. It had fallen by some 10.4 per cent to 4 116 people in September 2011. Child Protection Income Management, after a very slow start, appears to have increased at a more rapid rate in late 2011, albeit from a low base.

As of September 2011, of the four measures of income management, most participants (11 960 or 73 per cent) were subject to Compulsory Income Management, while a further 4 116 (25 per cent) were managed under Voluntary Income Management. A very small number of people (60) were managed under the child protection measure and 223 under Vulnerable Income Management.

4.2.1 Changes in the incidence of income management

The rollout of NIM and the transition from the NTER IM is reflected in quite different experiences across the Northern Territory population when considered by location and by Indigeneity. This is presented in Figure 4-3 and Figure 4-4. The first shows the scope of income management, encompassing both the latter phase of implementation of the NTER IM and its replacement with NIM. The second indicates the geographic impact for recipients who are under the Age Pension Eligibility age. Both charts present the data as the incidence of income management, that is, the proportion of the population on income support that is subject to income management.

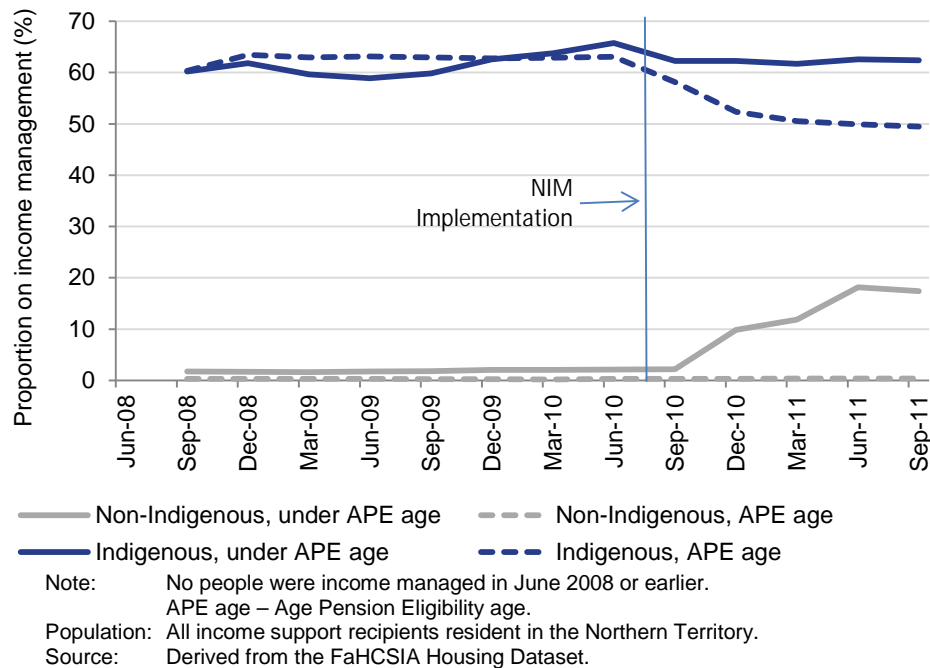
By Indigeneity and age

Figure 4-3 shows the proportion of the income support population subject to income management by Indigenous status and age.

Among Indigenous income support recipients under Age Pension Eligibility age, the proportion of the population being income managed, which had been increasing slightly under the NTER, dropped slightly at the start of NIM, but has since remained stable at just over 60 per cent. Nevertheless there have been changes in the composition of this group, with a small reduction in the rate of income management amongst the non-urban population and an increase in the urban population, as shown in Figure 4-4. This is discussed in more detail below.

⁴² From 1 July 2010 no new people could become subject to NTER IM. The transition from NTER IM to NIM started in August 2010. NTER IM ceased completely on 30 June 2011 (Australian Government, 2012, Section 11.8).

Figure 4-3 Northern Territory, Proportion of income support recipients subject to income management by broad age group and Indigeneity, September 2008 to September 2011



The proportion of Indigenous people above the Age Pension Eligibility age being income managed steadily dropped after mid-2010 when around 63 per cent of this population were income managed, down to just under 50 per cent at the end of 2011. Under NIM, people on the Age Pension are not subject to compulsory income management. They do however have the option of moving onto Voluntary Income Management, and some could be placed on Vulnerable Income Management or Child Protection Income Management.

The overall proportion of people in the Northern Territory in receipt of an income support payment subject to income management has increased only marginally following the transition from NTER IM to NIM. It has increased from 40.4 per cent in June 2010, just prior to the introduction of NIM, to 42.2 per cent in September 2011. For Indigenous Australians over this period, it decreased from 62.4 per cent to 60.5 per cent, and for the non-Indigenous population it has increased from 2.1 per cent to 10.3 per cent.

The proportion of non-Indigenous income support recipients below the Age Pension Eligibility age who were subject to income management was negligible under the NTER, but increased rapidly with the rollout of NIM during 2010-11. It reached a plateau in the second half of 2011 at around 18 per cent. This rate of incidence is 28 per cent of the rate for Indigenous income support recipients in the same age group.

Very few non-Indigenous income support recipients above the Age Pension Eligibility age are subject to income management (the proportion is always below half of 1 per cent).

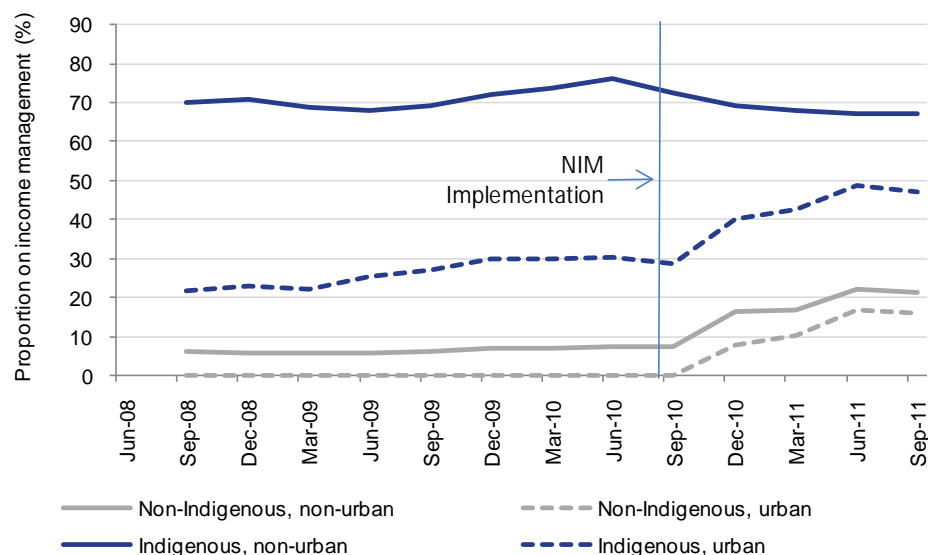
By Indigeneity and Location

As outlined previously, income management under the NTER applied to all people in a restricted geographic region (73 prescribed communities and ten town camp regions) who were in receipt of income support payments. Some people living in the Northern Territory outside of these areas would also have been income managed if they had started being income managed while previously living in a prescribed area.

The pattern of income management incidence is therefore different when examined by location. To examine this we again use the urban/non-urban classification discussed previously. While this has not been designed to mirror the operation of income management under the NTER, it nevertheless provides a useful summary indicator of the character of the location.

The proportion of income support recipients who were income managed over the period 2008 to 2011 is shown in Figure 4-4. Rates of income management among Indigenous income support recipients in non-urban areas increased until they reached a peak of 76 per cent in June 2010. After this, the proportion fell as the NIM measures were implemented. By September 2011, about two-thirds of the people on income support payments in these locations were being income managed.

Figure 4-4 Northern Territory, Proportion of income support recipients under Age Pension eligibility age subject to income management by Indigenous status and location, September 2008 to September 2011



Population: All income support recipients resident in the Northern Territory under Age Pension Eligibility age.

Source: Derived from the FaHCSIA Housing Dataset.

For Indigenous people in urban areas, rates of income management also increased over 2008 and 2009. Those subject to income management were mainly people living in town camps, but also included people who had been income managed in other prescribed areas who moved into these urban locations. After plateauing in early 2010 at around 30 per cent, the proportion of this income support population being income managed then increased with the

introduction of NIM to 37 per cent in 2011. This is still well below the rate for non-urban Indigenous income support recipients. Thus income management continues to affect a much higher proportion of non-urban Indigenous people than those living in urban areas.

Non-Indigenous welfare recipients experienced a similar pattern of increase with the introduction of NIM, but from a lower base. By September 2011, just over one-fifth of the non-urban non-Indigenous income support population were income managed, compared with two-thirds for the Indigenous income support population.

4.2.2 The transition from NTER IM to NIM

Tables 4-2, 4-3 and 4-4 focus on the transition of individuals between the NTER IM and NIM. In each of the tables the population comprises all people who were in receipt of income support on either the commencement or completion dates.

Table 4-2 illustrates the changes in income support receipt and income management status for the 45 630 people who were in receipt of income support in the Northern Territory in either, or both, July 2010 and February 2011. This is the period over which the transition from NTER IM to NIM largely took place.

Of the 16 726 people subject to NTER IM just before the transition to NIM, 1 886 (11 per cent) no longer received income support payments in the Northern Territory by February 2011;⁴³ 2 404 (14 per cent) were still receiving income support payments but were not being income managed; 7 933 (47 per cent) had been transferred to Compulsory Income Management and 4 209 (25 per cent) to Voluntary Income Management. Some 294 had been placed on some other form of compulsory income management, or were still on the NTER IM.

Table 4-2 Northern Territory, Persons on income support in either July 2010 or February 2011, movement between the old and new income management programs

Status in July 2010 under NTER	Status in February 2011 under NIM:							All
	Compulsory IM	Child protection IM	NTER IM	Voluntary IM	Vulnerable IM	Not income managed	Not in receipt of income support	
NTER IM	7 933	3	113	4 209	178	2 404	1 886	16 726
Not income managed	1 990	3	3	140	20	15 357	5 002	22 515
Not in receipt of income support	1 048	1	2	218	9	5 111	na	6 389
All	10 971	7	118	4 567	207	22 872	6 888	45 630

Note: The table excludes a small number of people recorded as being on Child Protection Income Management and Vulnerable Income Management as at July 2010.⁴⁴

Population People receiving income support payments in the Northern Territory in either July 2010 or February 2011.

Source: Derived from Centrelink data.

⁴³ This also includes exit due to mortality and due to movement out of the Northern Territory.

⁴⁴ As these programs were not operating within the Northern Territory at that time it would appear that the records are either those of people who had been placed on these programs in another state and had subsequently moved to the Northern Territory, or are a coding error.

Of the 10 971 people subject to Compulsory Income Management in February 2011, most (72 per cent) had previously been managed under the NTER IM. Of the balance, 1 990 (18 per cent) had previously been receiving income support payments but were not income managed, and 1 048 (10 per cent) had not previously been receiving income support payments. Most (92 per cent) of the people on Voluntary Income Management in February 2011 had previously been income managed under the NTER IM.

Around one third (15 357) of the population on income support at either of these points in time were neither on income management at the beginning nor the end of the period. In addition, there were 2 404 who were on income management at the beginning, but not at the end despite being on income support at both times; and 2 156 who were on income support at both times, but in this case, while not on income management at the beginning of the period, were so at the end.

Table 4-3 extends the time period of the analysis to October 2011, and as a consequence it considers a slightly larger population of 48 374 people who were in receipt of income support at either point. Compared with the previous table, the proportion of those who were on the NTER IM in July 2010 who are on Compulsory Income Management fell slightly from 47 per cent in February 2011 to 44 per cent in October 2011. The proportion of those subject to Compulsory Income Management who had been on NTER IM fell from 72 per cent in February 2011 to 62 per cent in October 2011. There was also a small decrease in the number on Voluntary Income Management. Whereas in February 2011, 25 per cent of those who were on the NTER IM were on Voluntary Income Management; this decreased to 23 per cent by October 2011.

Table 4-3 People on income support in either July 2010 or October 2011, movement between the old and new income management programs

Status in July 2010 under NTER	Status in October 2011 under NIM						All
	Compulsory IM	Child protection IM	Voluntary IM	Vulnerable IM	Not income managed	Not in receipt of income support	
NTER IM	7 394	30	3 778	163	2 756	2 606	16 727
Not income managed	2 214	8	169	24	13 630	6 472	22 517
Not in receipt of income support	2 351	7	242	11	6 517	na	9 128
All	11 960	45	4 189	198	22 903	9 079	48 374

Note: The table excludes a small number of people on Child Protection income management and Vulnerable income management as at July 2010. The last column differs slightly from the previous table because different people were receiving income support in February and October 2011.

Population: People receiving income support payments in the Northern Territory in either July 2010 or October 2011.

Source: Derived from Centrelink data.

Of the population on Compulsory Income Management, the main growth over this latter period was in the number of people who had not been on income support as at July 2010. Comparing the data for the those on Compulsory Income Management for February 2011 and October 2011: the number who had been on the NTER IM fell from 7 933 to 7 394; the number who, while

having been on income support in July 2010, were not subject to income management increased from 1 990 to 2 214; and of those who had not been on income support rose from 1 048 to 2 351.

Table 4-4 limits the population to Indigenous people who were receiving income support in either July 2010 or October 2011. While this table shows much the same pattern of transition as Table 4-3, some features emerge from a comparison of the tables.

Virtually all of the people on Compulsory Income Management who had been on NTER IM were Indigenous (99 per cent). Sixty five per cent of those who were on Compulsory Income Management and who were in receipt of an income support payment in July 2010 but who were not on NTER IM were Indigenous. Finally, 77 per cent of those on Compulsory Income Management in October 2011 and who were not on income support in July 2010 were Indigenous.

Indigenous people who were on NTER IM account for 82 per cent of those subject to Vulnerable Income Management.

Table 4-4 Northern Territory, Indigenous people on income support in either July 2010 or October 2011, Movement between the old and new income management programs

Status in July 2010 under NTER	Status in October 2011 Under NIM						All
	Compulsory IM	Child protection IM	Voluntary IM	Vulnerable IM	Not income managed	Not in receipt of income support	
NTER IM	7 316	29	3 741	162	2 699	2 562	16 509
Not income managed	1 441	3	156	19	1 273	515	3 407
Not in receipt of income support	1 805	8	233	11	1 230	na	3 287
All	10 562	40	4 130	192	5 202	3 077	23 203

Note: The table excludes a small number of people recorded as being on Child Protection Income Management and Vulnerable Income Management in July 2010.

Population: Indigenous people receiving income support payments in the Northern Territory in either July 2010 or October 2011.

Source: Derived from Centrelink data.

These results point both to the persistence of income management for those who were subject to income management under the NTER, as well as the high inflow of Indigenous people who were not previously on income support.

4.3 Exits from income management

Persistence on income management is examined more directly in Table 4-5⁴⁵. The top panel of the table considers people entering NIM from August 2010 to

⁴⁵ Measuring exits from income management, as with measuring exits from income support and other programs, is far from clear cut. This largely arises because of churning – where a person moves in and out of a program. Where this happens, to simply focus on a single move off can be problematic as many people return to the program after a brief period.

the end of October 2010, and who were still on it at the end of this period, and the proportion of these who are still being income managed 4, 9, 12 and 15 months later. These outcomes are disaggregated by Indigenous status, whether the person had been on the NTER IM program and whether they were being income managed under the voluntary program or one of the compulsory income management programs. The second panel of the table reports similar data for those starting in the four month period from November 2010 to the end of February 2011, who were subject to income management at the end of this period. This table considers outcomes 5, 8 and 11 months later.⁴⁶

While this analysis provides some insight into the duration of time people remain on income management, and is presented as a duration analysis, some caution needs to be applied. Because of the time gaps between the waves of data available it is not possible to identify many short term movements, such as a person who both entered and exited income management between the dates of the two datasets. Further, as noted later, many of those who gain exemptions do so at the time or shortly after entering income management and are therefore also not recorded in this analysis.

Among the first group who moved onto income management between August 2010 and October 2010 and were still on income management in October 2010, 91 per cent continued to be subject to income management after 4 months, 83 per cent after 9 months, 78 per cent after a year and 77 per cent after 15 months. This reflects a pattern of initial exits from the program – mainly in the first 8 or 9 months followed by stability with relatively few exits.

There was considerable variation in the exit rate from the program. For example, for the first group after a year, 54 per cent of non-Indigenous people had exited, compared with 21 per cent of Indigenous people. For the second group, those who commenced between November 2010 and February 2011, the equivalent figures, after 11 months, were 45 per cent and 26 per cent.

Looking at the rate of exit by broad measure shows a marked difference between the two entry groups. For those entering in August 2010 to October 2010, the proportion of those who had exited voluntary income management after 12 months of 21 per cent was almost identical to the 22 per cent who exited the compulsory measures. For the second entry group the 11 month exit was 18 per cent for those on voluntary income management and 33 per cent for the compulsory stream.

Equally with time limited data (also called right censored in this type of analysis), it is not sufficient to define an exit as being a case where the person has no further record. To do so would treat exits at the end of the time period differently from those at the beginning.

For this analysis we have considered that a person has exited from income management if they are not subject to income management in two consecutive waves of data. Because of the irregular frequency of the surveys this varies from 3 to 5 months.

⁴⁶ The reason for the different, and irregular, time periods relate to the timing of the datasets provided by FaHCSIA for the evaluation.

Table 4-5 Duration of spells on NIM of people who entered NIM up until February 2011

NIM category at entry		Number entering NIM	Proportion still on IM in:			
			Feb 2011 (+ 4 months)	July 2011 (+9 months)	Oct 2011 (+12 months)	Jan 2012 (+15 Months)
People on NIM in October 2010 who entered between August and October 2010						
Indigenous		Number	- % -			
On NTER IM in July 2010	VIM	3 591	91.9	83.7	79.9	78.3
	CIM	8 392	93.8	86.3	81.9	80.4
Other	VIM	254	83.5	71.3	65.4	61.0
	CIM	1 151	81.7	69.7	63.3	61.3
Non-Indigenous						
	VIM	51	86.3	80.4	68.6	66.7
	CIM	363	65.6	50.4	42.7	39.7
Total		13 802	91.3	83.0	78.4	76.8
People on NIM in February 2011 who entered between November 2010 and February 2011						
			Proportion still on IM in:			
			July 2011	Oct 2011	Jan 2012	
			(+5 months)	(+8 months)	(+ 11 Months)	
Indigenous		Number	- % -			
On NTER IM in June 2010	VIM	1 027	90.8	87.7	86.5	
	CIM	62	90.3	80.6	80.6	
Other	VIM	333	78.4	68.8	67.6	
	CIM	1 618	80.3	70.5	67.6	
Non-Indigenous						
	VIM	15	86.7	86.7	86.7	
	CIM	683	68.1	56.5	54.2	
Total		3 738	81.0	72.7	70.6	

Note: As discussed in the text this table largely excludes people who obtained exemptions at, or shortly after, the time they would have been first subject to income management.

The top panel of the table describes people who commenced NIM in the Northern Territory between August and October 2010, and were still subject to income management at the end of October 2010. The proportion of this population who were still on income management as at February 2011 (4 months), July 2011 (9 months), October 2011 (12 months) and January 2012 (15 months) is shown. A person is considered to have exited NIM if they are not on IM for two consecutive periods, but are counted as off in the first of these. For January 2012 the second time period is April 2012.

The second panel reports comparable information for people who commenced between November 2011 and February 2012 and were subject to IM at that later date. Compulsory includes the compulsory, child protection and vulnerable streams.

Source: Derived from the FaHCSIA Income Management Dataset.

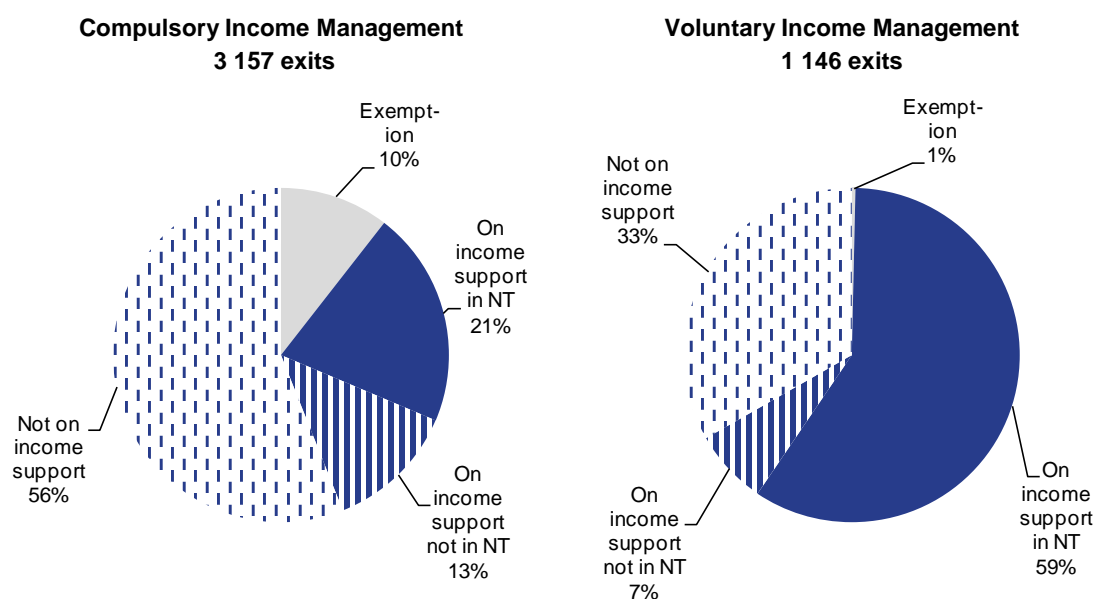
As illustrated in the table, there was even more variation when account was taken of whether a person had previously been on income management under the NTER, as well as Indigeneity and stream. Again using the 12 month measure for the first group, the data shows that while 57 per cent of non-Indigenous people on compulsory streams of income management were no longer income managed after a year, as were 37 per cent of Indigenous people who had not been on income management under the NTER, this fell to 20 per cent for Indigenous people who had been on NTER IM and had moved onto

voluntary income management and 18 per cent for those who had moved to a form of compulsory income management.

People who leave income management do so in different ways. Figure 4-5 illustrates the income support status of people who exit income management in the first period in which they are no longer income managed. It reports on all of the exits covered in Table 4-5 that is, exits up to January 2012 for people who entered into income management under NIM up until February 2011. It shows four forms of exit: through obtaining an exemption from income management; remaining on income support in the Northern Territory without being income managed (for example by moving to a non income managed payment, or ceasing to have a duration on payment which makes them subject to IM); moving interstate but remaining on income support; or no longer receiving income support.

For the 3 157 people within these two cohorts who exited Compulsory Income Management the main form of exit from NIM was as a result of ceasing to receive income support (56 per cent of cases), followed by 21 per cent who remained on income support in the Northern Territory but were no longer subject to income management, 10 per cent who gained an exemption and 13 per cent who moved interstate but remained on income support.⁴⁷

Figure 4-5 Income support status of people who entered NIM up until February 2011 and exited prior to end January 2012



Notes: For definition of exits see Table 4-5.
CIM includes CPIM and VULIM.
See footnote 49 and text discussion with regard to exemptions reported in this table.

Source: Derived from the FaHCSIA Income Management dataset.

⁴⁷ In the table a person is classified as being on compulsory or voluntary income management on the basis of the type of income management they were on in the first period. This may not be the same as that at the time immediately prior to exit.

There were 1 146 people in these two entry cohorts who exited voluntary income management in the period under study. Of these, 59 per cent remained on income support in the Northern Territory; 33 per cent were no longer on income support; 7 per cent were on income support in another state or territory and 1 per cent were exempt.

When people on voluntary income management remained on income support in the Northern Territory after exiting income management they usually remained on the same income support payment. In contrast, 42 per cent of exits from compulsory income management involved a transfer onto a Disability Support Pension and 19 per cent onto Carer Payment.

Those who moved interstate largely remained on the same payment they were on prior to moving. While little is known about those who exited income support,⁴⁸ in 21 per cent of cases where a person had been on compulsory income management the person continued to claim Family Tax Benefit. This was the case of 10 per cent of those on voluntary income management.

As will be seen in Chapter 8 the recorded exits by exemption only represent a small proportion of the exemptions that have been granted. The reason for this is that many exemptions are granted prior to the person actually being income managed or shortly after they commence.⁴⁹ Those who exited via an exemption were mainly in receipt of Parenting Payment Single (58 per cent) and Parenting Payment Partnered (25 per cent).

As indicated above, 21 per cent of exits from compulsory forms of income management and 7 per cent of exits from voluntary income management involved people staying on income support but moving out of the Northern Territory in association with their exit from NIM. It is however probable that this reflects high levels of mobility rather than any specific impact of income management.⁵⁰

As detailed in Table 4-6 there are some differences in the pattern of exits between Indigenous and non-Indigenous people, and to a lesser degree between Indigenous people who had previously been on income management as part of the NTER and those who were not.

Non-Indigenous people exiting compulsory forms of income management are more likely to remain on income support in a location outside of the Northern Territory than Indigenous people, especially those who had been previously on income management under the NTER. They were also less likely to be off

⁴⁸ These exits will also include cases of death and imprisonment.

⁴⁹ People who obtain exemptions at, or shortly after the time at which they would be subject to income management are not shown in these tables as an exit as the tables are based on people who are actually subject to income management at the first point in time. Because of the infrequency of the datasets it is not possible to provide any more detailed analysis of the timing of exemptions in this report.

⁵⁰ To examine this we considered a simple pattern of exits (point in time to point in time) of all Indigenous income support recipients (excluding the Age Pension) over the period July 2010 and July 2011 in locations outside of the Northern Territory. This analysis indicated that in the Northern Territory moves to another state accounted for 28.8 per cent of all shifts off income support in the Northern Territory. This was, for example, not substantially above 25.1 per cent recorded for South Australia.

income support. In part this was because of the higher proportion of those who had exited income management because of an exemption.

Most of the exits from Voluntary Income Management involved Indigenous people who had previously been on income management as part of the NTER. Amongst these 62 per cent of these remained on income support in the Northern Territory and a further 6 per cent in other locations.

Table 4-6 Income support status of people who entered NIM up until February 2011 and exited prior to end January 2012

	Indigenous				Non-Indigenous		Total
	On NTER IM		Other		VIM	CIM	
	VIM	CIM	VIM	CIM			
	- % -						
Exemption	0.1	6.2	1.0	12.3	5.3	21.1	7.8
On income support in the NT	62.1	26.4	45.9	15.6	63.2	12.8	31.0
On income support not in the NT	6.2	7.9	11.1	17.4	15.8	18.4	11.2
Not on income support	31.6	59.5	42.0	54.7	15.8	47.7	50.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total (Persons)	920	1 656	207	969	19	532	4 303

Notes: See Table 4-5.

CIM includes CPIM and VULIM.

Source: Derived from the FaHCSIA Income Management Dataset.

4.4 Characteristics of the income management population

This section considers the characteristics of people who were subject to income management in October 2011.⁵¹ These data have been taken from the income management client and income support payments datasets for the fortnight ending 28 October 2011.

4.4.1 Income management measures by Indigeneity and gender

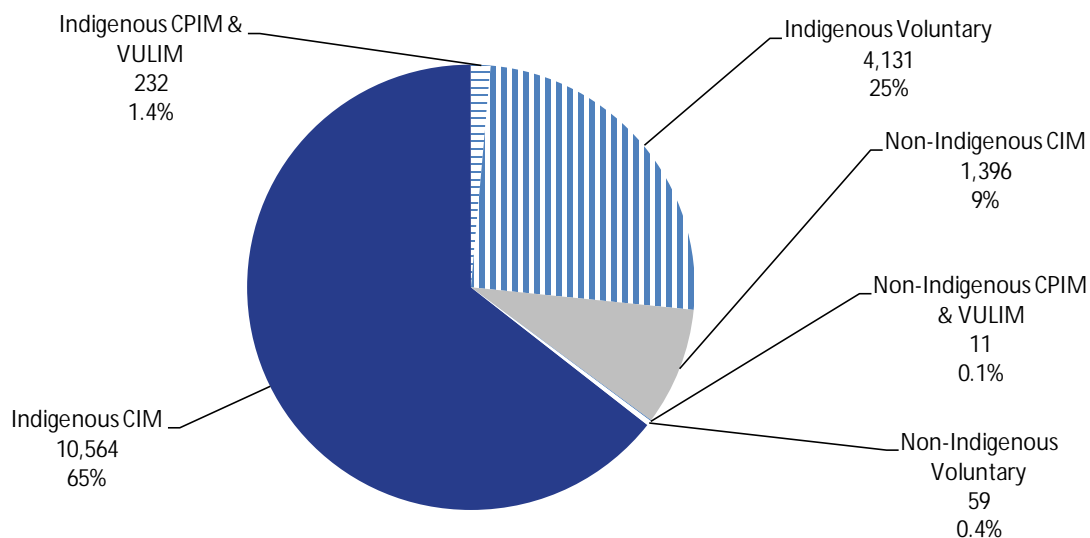
Table 4-7 shows the number of people subject to each of the NIM measures in October 2011 according to Indigenous status; this is also illustrated in Figure 4-6. Table 4-8 breaks down the population by gender.

In October 2011 there were 16 393 people being income managed in the Northern Territory. The majority (73 per cent) were subject to Compulsory Income Management, comprising 3 850 on the Disengaged Youth element and 8 110 on the Long-Term Welfare Payment Recipients measure. A further 25 per cent (4 190) were on Voluntary Income Management; the remaining people were subject to the Vulnerable Income Management (198) and the Child Protection measure (45).

⁵¹ The population for this section comprises persons receiving an income support payment, located in the Northern Territory and subject to income management for this period. Persons with conflicting information regarding location, payment status or income management status have been excluded; however, these exclusions do not substantially affect the results shown in this section.

Most were Indigenous (14 927 of 16 393; 91 per cent). The proportion of people subject to Compulsory Income Management who were Indigenous was 88 per cent, 89 per cent of those on Child Protection Income Management, 97 per cent for people on Vulnerable Income Management, and 99 per cent of those on Voluntary Income Management.

Figure 4-6 Composition of people subject to income management October 2011



Source: Income support payments file and income management person files for fortnight ending 28 October 2011.

Table 4-7 Northern Territory income managed population by stream and Indigeneity, October 2011

	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Proportion Indigenous
	Number			- % -			
Compulsory Income Management							
Disengaged Youth	3 419	431	3 850	22.9	29.4	23.5	88.8
Long-Term Welfare	7 145	965	8 110	47.9	65.8	49.5	88.1
<i>Total CIM</i>	<i>10 564</i>	<i>1 396</i>	<i>11 960</i>	<i>70.8</i>	<i>95.2</i>	<i>73.0</i>	<i>88.3</i>
Child Protection IM	40	5	45	0.3	0.3	0.3	88.9
Voluntary IM	4 131	59	4 190	27.7	4.0	25.6	98.6
Vulnerable IM	192	6	198	1.3	0.4	1.2	97.0
Total	14 927	1 466	16 393	100.0	100.0	100.0	91.1

Population: Income support recipients in the Northern Territory subject to income management.

Source: Income support payments file and income management person files for fortnight ending 28 October 2011.

Women account for 61 per cent (9 975) of the people subject to income management (Table 4-8). This proportion varies between measures. Women account for:

- 52 per cent of those on Vulnerable Income Management
- 56 per cent participating in Voluntary Income Management
- 62 per cent on the Long-Term Welfare Payment Recipients initiative

- 63 per cent of Disengaged Youth
- 80 per cent of those subject to Child Protection Income Management.

Table 4-8 Northern Territory income managed population by stream and gender, October 2011

	Male	Female	Total	Male	Female	Total	Proportion female
	Number			- % -			
Compulsory Income Management							
Disengaged Youth	1 406	2 444	3 850	21.9	24.5	23.5	63.5
Long-Term Welfare	3 063	5 047	8 110	47.7	50.6	49.5	62.2
<i>Total CIM</i>	<i>4 469</i>	<i>7 491</i>	<i>11 960</i>	<i>69.6</i>	<i>75.1</i>	<i>73.0</i>	<i>62.6</i>
Child Protection IM	9	36	45	0.1	0.4	0.3	80.0
Voluntary IM	1 845	2 345	4 190	28.7	23.5	25.6	56.0
Vulnerable IM	95	103	198	1.5	1.0	1.2	52.0
Total	6 418	9 975	16 393	100.0	100.0	100.0	60.8

Note: Gender taken from income management person record.

Population: Income support recipients in the Northern Territory subject to income management.

Source: Income support payments file and income management person file for fortnight ending 28 October 2011.

4.4.2 Type of income support

There are differences in the type of income support payments received by those on various NIM measures (Table 4-9). The majority of people subject to Compulsory Income Management are receiving Newstart Allowance (53 per cent), with a large minority receiving Parenting Payment Partnered or Parenting Payment Single (19 per cent each).

Those subject to Voluntary Income Management and Vulnerable Income Management are drawn primarily from those on the Disability Support Pension followed by the Age Pension.

The third panel of Table 4-9 shows the proportion of people on particular income support payments in the Northern Territory who are subject to income management. This ranges from 78 per cent of those on Parenting Payment Partnered and 72 per cent for Newstart Allowance, to 19 per cent of those on Carer Payment and 11 per cent of those on the Age Pension.

Table 4-9 Northern Territory income managed population by stream and major income support payment, October 2011

Income support payment	CIM	VIM	VULIM	CPIM	Total
Number					
Newstart Allowance	6 357	127	2	13	6 497
Parenting Payment Single	2 213	26	4	9	2 254
Parenting Payment Partnered	2 212	33	0	17	2 262
Youth Allowance – Other	1 168	21	3	0	1 192
Disability Support Pension	0	2 880	153	2	3 035
Age Pension	0	808	35	1	844
Carer Payment	0	216	1	1	218
Other	10	79	0	2	91
Total	11 960	4 190	198	45	16 393
Composition (per cent)					
Newstart Allowance	53.2	3.0	0.5	26.7	39.6
Parenting Payment Single	18.5	0.6	2.5	22.2	13.7
Parenting Payment Partnered	18.5	0.8	0.0	37.8	13.8
Youth Allowance – Other	9.8	0.5	1.5	0.0	7.3
Disability Support Pension	0.0	68.7	76.8	6.7	18.5
Age Pension	0.0	19.3	18.2	0.0	5.1
Carer Payment	0.0	5.2	0	4.4	1.3
Other	0.1	1.9	0.5	2.2	0.6
Total	100.0	100.0	100.0	100.0	100.0
Incidence (per cent)					
Newstart Allowance	70.4	1.4	0.0	0.1	72.0
Parenting Payment Single	56.4	0.7	0.1	0.3	57.4
Parenting Payment Partnered	76.5	1.1	0.0	0.6	78.2
Youth Allowance – Other	67.6	1.2	0.2	0.0	69.0
Disability Support Pension	0.0	27.7	1.5	0.0	29.2
Age Pension	0.0	10.7	0.5	0.0	11.1
Carer Payment	0.0	19.1	0.0	0.2	19.2
Other	0.4	3.0	0.0	0.0	3.5
Total	30.4	10.7	0.5	0.1	41.7

Note: Income support type taken from income support payments file, denominator for incidence is the number of persons in the Northern Territory receiving the specified income support payment during this period.

Population: Income support recipients in the Northern Territory subject to income management.

Source: Income support payments file and income management person file for fortnight ending 28 October 2011.

4.4.3 Income support by Indigenous status

As illustrated in Table 4-10, most non-Indigenous people subject to income management were on Newstart Allowance (55 per cent) or Parenting Payment Single (23 per cent). The Indigenous income management population was distributed across a wider set of payments.

These included: 38 per cent on Newstart Allowance; 20 per cent on the Disability Support Pension; 14 per cent on Parenting Payment Partnered; 13 per cent on Parenting Payment Single; 7 per cent on Youth Allowance (other) and 6 per cent on the Age Pension.

The incidence of income management by payment type also varied considerably by Indigeneity. Whereas the 2 994 Indigenous people subject to income management represents some 44 per cent of all Indigenous Disability Support Pension recipients, the 41 income managed non-Indigenous Disability Support Pension recipients represent just 1.1 per cent of the non-Indigenous Disability Support Pension population.

Table 4-10 Northern Territory, Income support recipients by Indigenous status and type of income support, October 2011

Income Support Type	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total
	Number	Number	Number	Column %	Column %	Column %	Row %	Row %	Row %
Abstudy	22	690	712	0	3	2	3	97	100
Age Pension	5 894	1 691	7 585	39	7	19	78	22	100
Assistance for Isolated Children	348	388	736	2	2	2	47	53	100
Austudy	119	-	119	1	-	0	100	-	100
Carer Payment	477	656	1 133	3	3	3	42	58	100
Disability Support Pension	3 658	6 741	10 399	24	28	26	35	65	100
New Start Allowance	1 782	7 243	9 025	12	30	23	20	80	100
Parenting Payment Partnered	359	2 532	2 891	2	11	7	12	88	100
Parenting Payment Single	1 384	2 542	3 926	9	11	10	35	65	100
Partner Allowance	51	3	54	0	0	0	91	9	100
Sickness Allowance	32	15	47	0	0	0	64	36	100
Special Benefit	21	5	26	0	0	0	88	12	100
Widowed Persons Allowance	73	70	143	0	0	0	51	49	100
Wife Pension (Age)	27	6	33	0	0	0	76	24	100
Work for the Dole	22	7	29	0	0	0	83	17	100
Youth Allowance Others	281	1 447	1 728	2	6	4	16	84	100
Youth Allowance Students	647	46	693	4	0	2	93	7	100
Total	15 202	24 083	39 285	100	100	100	38.7	61.3	100

Note: Income support type and Indigenous status taken from income management person record. Total includes a small number on Bereavement Allowance and Youth Allowance-Apprentice.

Population: Income support recipients in the Northern Territory subject to income management.

Source: Income support payments file and income management person file for fortnight ending 28 October 2011.

Table 4-11 shows the makeup of those on income management. The table shows that the composition of the population of income support recipients differs considerably between the Indigenous and non-Indigenous populations. In particular, nearly 40 per cent of non-Indigenous recipients were receiving the Age Pension, whereas the figure for Indigenous recipients was only 7 per cent. By contrast, 30 per cent of Indigenous recipients were on the Newstart Allowance whereas only 12 per cent of non-Indigenous recipients received this type of income support. The proportions on the Disability Support Pension were similar – 24 per cent for non-Indigenous and 28 per cent for Indigenous.

Table 4-11 Northern Territory, Persons being income managed by Indigenous status and type of income support, October 2011

Income Support Type	Non -	Indigenous	Total	Non-	Indigenous	Total	Non -	Indigenous	Total
	Indigenous			Indigenous			Indigenous		
	Number			Column %			Row %		
Abstudy	0	35	35	0	0	0	3	97	100
Age Pension	15	829	844	1	6	5	2	98	100
Austudy	119	0	119	1	0	0	100	0	100
Carer Payment	3	215	218	0	1	1	1	99	100
Disability Support Pension	41	2 994	3 035	3	20	19	1	99	100
New Start Allowance	804	5 692	6 496	55	38	40	12	88	100
Parenting Payment Partnered	106	2 156	2 262	7	14	14	5	95	100
Parenting Payment Single	335	1 920	2 255	23	13	14	15	85	100
Special Benefit	4	4	8	0	0	0	75	25	100
Widowed Persons Allowance	3	38	41	0	0	0	2	98	100
Youth Allowance - Other	156	1 032	1 188	11	7	7	13	87	100
Youth Allowance - Student	2	2	4	0	0	0	50	50	100
Total	1 469	14 924	16 393	100	100	100	9	91	100

Note: Income Support type and Indigenous status taken from income management person record. Total includes a small number on Bereavement Allowance and Youth Allowance- Apprentice, Partner Allowance Sickness Benefit, Wife Pension (Age) and Work for the Dole.

Population: Income support recipients in the Northern Territory subject to income management.

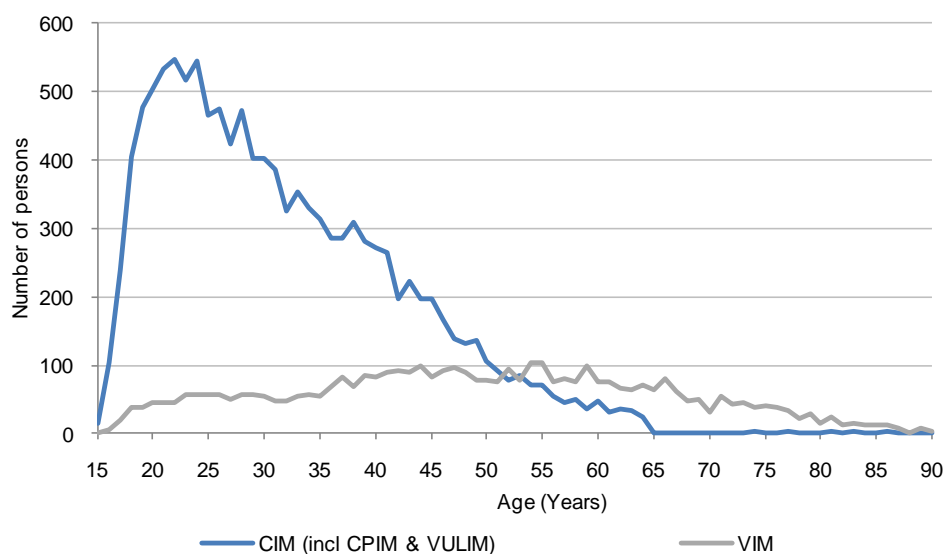
Source: Income support payments file and income management person file for fortnight ending 28 October.

4.5 Age

The age profiles of people on Compulsory Income Management and Voluntary Income Management are illustrated in Figure 4-7. This shows markedly different age compositions of the two populations. While 50 per cent of those on Compulsory Income Management are aged 29 years or younger, the median age for those on Voluntary Income Management is two decades older, 49 years.

While 36 per cent of people on Compulsory Income Management are aged 25 years or younger, just 9.9 per cent of those on Voluntary Income Management are in this age group. At the other end of the age range, only 3 per cent of people on Compulsory Income Management are aged over 55 years, compared with 36 per cent of those on Voluntary Income Management.

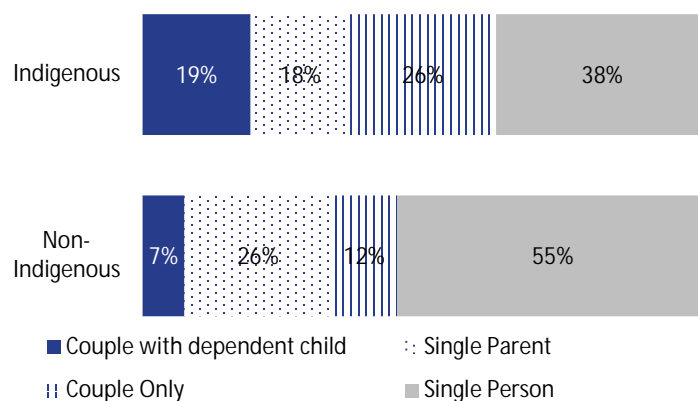
Figure 4-7 Northern Territory, Persons being income managed by age and main stream of income management, October 2011



4.5.1 Family type

Figure 4-8 and Table 4-12 show the family type of individuals on income management.⁵²

Figure 4-8 Northern Territory, income managed population by Indigeneity and family type, October 2011



Source: Income support payments file and income management person file for fortnight ending 28 October 2011.

Single persons were the largest grouping, by family type, on income management. They accounted for 38 per cent of Indigenous people on Income

⁵² Because individuals are assessed for income management based upon their characteristics, these estimates represent a count of person characteristics and not a count of the actual families. While in some couples both members may be subject to income management, in other couples only one may be.

management and 55 per cent of non-Indigenous people. They were followed by people who live in a couple without dependent children. While this was the second largest group of Indigenous people on these measures (26 per cent), this was not the case for non-Indigenous (12 per cent). Amongst the non-Indigenous income managed population the second largest group were single parents (26 per cent). This was, at 18 per cent, the smallest grouping amongst Indigenous people. While members of couples with dependent children accounted for almost one in five (19 per cent) of the Indigenous people subject to Income management this fell to one in fourteen (7 per cent amongst the non-Indigenous income managed population.

Table 4-12 provides additional information on the income managed population by family status and Indigeneity, including the relative incidence of being subject to compulsory income management. While this latter data is not wholly comparable with other estimates in this chapter, it nevertheless illustrates how, within each family type, Indigenous people were more likely to be subject to compulsory forms of income management than non-Indigenous income support recipients. This was particularly marked for people who were a member of couple, especially those without children.

Single people without children were the largest single family type across the income management population, accounting for 79 per cent of those on the vulnerable stream, 57 per cent of those on the voluntary stream and 34 per cent of those on Compulsory Income Management. Couples without children are the second largest group of people on Voluntary Income Management (27 per cent) and accounted for 24 per cent of those on Compulsory Income Management.

Table 4-12 Northern Territory income managed population by family type and Indigeneity, October 2011

	Couple with dependent child	Single Parent	Couple Only	Single Person	Total
Number					
Indigenous	2 851	2 625	3 845	5 606	14 927
Non-Indigenous	109	381	169	807	1 466
Total	2 960	3 006	4 014	6 413	16 393
Composition					
- % -					
Indigenous	19.1	17.6	25.8	37.6	100.0
Non-Indigenous	7.4	26.0	11.5	55.0	100.0
Total	18.1	18.3	24.5	39.1	100.0
Incidence of CIM (within CIM targeted income support payment recipients)					
- % -					
Indigenous	88.0	90.7	80.7	68.1	80.0
Non-Indigenous	75.6	81.4	55.2	64.2	70.1
Total	86.7	87.6	78.3	66.9	77.7

Note: Family type derived from income support payment and income management person files; Indigenous status from income management person record. Definition of incidence in the third panel is all people on Compulsory Income Management out of all the people receiving an income support payment targeted by Compulsory Income Management. NB the numerator for this is 14 759. This is derived from a different dataset than used elsewhere. Nevertheless the results are representative of the population.

Population: Income support recipients in the Northern Territory subject to income management.

Source: Income support payments file and income management person file for fortnight ending 28 October.

4.5.2 Age and number of children

Of the 5 966 people with children who are subject to income management, see Table 4-13, the majority (43 per cent) have one child. The average age of the youngest child within these families is 4.7 years (under school age).

Within the income management initiatives, the very small number of people on the child protection measure had the highest average number of children (2.7) and youngest average age of the youngest child (2.5 years of age).

Table 4-13 Northern Territory income managed population by number and age of children and Indigeneity, October 2011

	Average age of youngest child - years -	Average number of children - number -	Number of people with at least one child - number -	Proportion with children - % -
Indigenous				
Compulsory IM	4.3	2.0	4 777	45.2
Child Protection IM (a)	2.2	2.6	28	70.0
Voluntary IM	7.9	1.8	659	16.0
Vulnerable IM	4.2	1.3	12	6.3
Total	4.7	2.0	5 476	36.7
Non-Indigenous				
Compulsory IM	4.7	2.1	477	34.2
Child Protection IM (a)	4.3	3.8	4	80.0
Voluntary IM	6.9	2.0	8	13.6
Vulnerable IM	2.0	5.0	1	16.7
Total	4.7	2.1	490	33.4
Total				
Compulsory IM	4.3	2.0	5 254	43.9
Child Protection IM (a)	2.5	2.7	32	71.1
Voluntary IM	7.9	1.8	667	15.9
Vulnerable IM	4.0	1.6	13	6.6
Total	4.7	2.0	5 966	36.4

Note: Child characteristics derived from income support file and income management person file; Indigenous status taken from income management person record.
(a) The apparent absence of children in some records for people subject to Child Protection Income Management is likely to reflect the impact of differing time periods in the extraction of data and the point at which the type of IM is measured, as well as the way in which data was extracted where parents may have joint custody.

Population: Income support recipients in the Northern Territory subject to income management.

Source: Income support payments file and income management person file for fortnight ending 28 October 2011.

Around 43 per cent of families with children had just one child. A further 39 per cent had 2 children, 16 per cent had 3 children, and the remaining 11 per cent had four or more children.

4.5.3 Country of birth and immigration status

In addition to the 91 per cent of the income management population who were Indigenous, 6.8 per cent were non-Indigenous Australian born, 1.7 per cent were born overseas with a non-English speaking background, and 0.6 per cent were born in English speaking countries. Thus approximately 25 per cent of the non-Indigenous population subject to income management were from a non-English Speaking Background.

Table 4-14 Northern Territory, income managed population by broad country of birth, October 2011

	CIM	VIM	VULIM	CPIM	Total	Potential IS population for CIM
Number						
Australian Born Indigenous	10 553	4 128	192	40	14 913	14 473
Australian Born non-Indigenous	1 050	50	5	5	1 110	3 347
Overseas Born - ESB	90	4	0	0	94	234
Overseas Born - NESB	267	8	1	0	276	947
Total	11 960	4 190	198	45	16 393	19 001
Incidence rate for CIM						
Composition						
- % -						
Australian Born Indigenous	88.2	98.5	97.0	88.9	91.0	74.8
Australian Born non-Indigenous	8.8	1.2	2.5	11.1	6.8	31.7
Overseas Born - ESB	0.8	0.1	0.0	0.0	0.6	38.5
Overseas Born - NESB	2.2	0.2	0.0	0.0	1.7	28.2
Total	100.0	100.0	100.0	100.0	100.0	64.5

Note: IS – Income Support, ESB – English speaking background, NESB – Non-English speaking background).

ESB/NESB origin derived from income support file. Denominator for incidence is all persons receiving an income support payment targeted by Compulsory Income Management. Note that the estimated incidence rates are approximate in that while the population on income support reflects the 'trigger payments' it does not reflect other criteria such as duration. However, the data does provide a useful insight into the relative impact of income management.

Population: Income support recipients in the Northern Territory subject to income management.

Source: Income support payments file and income management person file for fortnight ending 28 October 2011.

Within the group of people born outside Australia, just under a third were born in South-East Asia (31 per cent), mainly from the Philippines, East Timor, Vietnam and Indonesia; 18 per cent were born elsewhere in Oceania, primarily New Zealand; 14 per cent were born in North West Europe, with most of these having been born in the United Kingdom; 11 per cent were born in Sub-Saharan Africa, mostly in Liberia and the Congo; and some 10 per cent were born in North Africa, mostly in Sudan.

Visa status

A small number of people (245 or 1.5 per cent) subject to income management in the Northern Territory had a Visa status on their Centrelink record. The main groupings of visas people held were various types of humanitarian visas (41 per cent) and family and related visas (15 per cent). A further 16 per cent held a 'Special Category' visa which is for New Zealand residents with the balance being distributed across a range of other visa types.⁵³

4.6 The geographic incidence of income management

Table 4-15 shows the number of people receiving income support payments by Australian Bureau of Statistics Statistical Subdivision (geographic area), and the proportion of these who are subject to income management.

⁵³ This includes a number who had a 'Transitional Special Visa', which is a form of reissue of a previous visa. Unfortunately with this class of visa it is not possible to determine the original purpose of the visa they were initially granted.

Table 4-15 Northern Territory, Income management rates by Statistical Subdivision, 2010 to 2011

	Number receiving income support payments						Change Jun 10 to Sept 11
	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	- % -
Darwin City	10 685	9 984	10 022	10 250	10 232	9 597	-10.2
Palmerston-East Arm	3 392	3 268	3 320	3 361	3 412	3 214	-5.2
Litchfield	1 722	1 710	1 692	1 767	1 846	2 031	17.9
Finniss	556	563	559	573	615	725	30.4
Bathurst-Melville	870	928	964	946	941	975	12.1
Alligator	1 941	2 030	2 023	2 043	2 042	2 037	4.9
East Arnhem	3 487	3 603	3 618	3 687	3 750	3 692	5.9
Lower Top End NT	5 962	6 043	6 141	6 133	6 209	6 101	2.3
Barkly	1 817	2 335	2 302	2 355	2 364	2 492	37.1
Central NT	8 788	8 174	8 216	8 241	8 380	7 757	-11.7
All	39 220	38 638	38 857	39 356	39 791	38 621	-1.5
	Proportion Income managed (%)						Percentage point change
	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	
Darwin City	10.7	6.7	13.7	12.6	17.3	16.0	5.3
Palmerston-East Arm	4.0	3.7	16.0	15.1	21.5	20.4	16.4
Litchfield	2.8	2.3	8.9	8.3	12.6	13.4	10.6
Finniss	14.7	19.0	29.2	28.6	29.6	24.3	9.6
Bathurst-Melville	79.3	78.9	69.2	66.9	64.1	64.8	-14.5
Alligator	71.7	68.9	64.4	61.4	61.8	61.1	-10.6
East Arnhem	82.1	72.1	68.1	66.3	65.6	64.9	-17.2
Lower Top End NT	60.8	57.0	58.1	55.7	55.4	56.2	-4.6
Barkly	63.1	64.2	66.5	65.4	65.9	67.6	4.5
Central NT	53.6	56.0	57.7	56.0	55.7	55.1	1.5
All	40.4	39.1	42.4	40.7	42.5	42.2	1.8

Population: All income support payment recipients resident in the Northern Territory.

Source: Derived from the FaHCSIA Housing Dataset.

The proportion of the population on income support subject to income management varies by location and within locations over the period of the rollout of NIM and subsequently. In September 2011 the proportion of income support recipients in Statistical Subdivisions who were subject to income management varied from 13 per cent in Litchfield to 68 per cent in Barkly. This though is less than the range from 4 per cent to 82 per cent which was recorded under the NTER IM. Four Statistical Subdivisions, East Arnhem, Bathurst-Melville and Alligator all had declines in the rate of income management of more than 10 percentage points over this period. In contrast, increases of more than 10 percentage points were recorded in Palmerston-East Arm and Litchfield.

There is little consistency between the changes in the absolute size of the income support population and the proportion that are subject to income management.

4.7 Summary

The rollout of NIM was largely completed by the end of 2010. The net effect of the implementation on the total number of people on income management in the Northern Territory was relatively small. There were, however, quite marked differences by Indigeneity and location.

Notwithstanding these changes, most people who were on NTER IM continued to be subject to income management in October 2011. Forty-four per cent were on Compulsory Income Management and 23 per cent on Voluntary Income Management.

While there are some data limitations concerning exits, it appears that while some people leave income management fairly soon after commencing, the majority of the population on income management are likely to be income managed for long periods. Over 80 per cent of Indigenous people who had previously been on NTER IM were still on NIM after a year. Amongst non-Indigenous people subject to compulsory forms of IM, around 45 to 60 per cent exit within a year.

The most dominant demographic feature of the income management population is the predominance of Indigenous Australians who, while accounting for 72 per cent of income support recipients in the Northern Territory, account for 91 per cent of the population subject to income management. The population subject to income management is more likely to be female – 61 per cent.

People born overseas form only a very small part of the income management population and the proportion of overseas born income support recipients on income management is lower than that for Australian born non-Indigenous people.

The age distribution of those on Voluntary Income Management is considerably older than that on Compulsory Income Management.



5. ANALYSIS OF INCOME MANAGEMENT EXPENDITURE

This chapter provides an overview of the means by which income managed funds are spent and what they are spent on, to the extent this is possible with existing data. As indicated in Chapter 3, this data only affords a partial insight into the spending of people on income management. The limitations of the data relate to the fact that only information on the income managed component of a person's income is available, and only limited information is available on the actual items purchased with income management funds.

As outlined in Chapter 2, income managed funds can be expended in several different ways. These include:

- being allocated to a person's BasicsCard; this then allows the person to spend the money on items at outlets that have gained agreement to become BasicsCard merchants. Income managed funds cannot be spent on excluded items (Chapter 6 provides more details)
- the direct payment by Centrelink of regular costs, such as for housing. This is similar to the existing Centrepay facility
- payment of specific bills by request. In this type of arrangement, individuals' contact Centrelink and ask for particular bills to be paid on their behalf. Centrelink may use a range of mechanisms to pay these bills including direct transfer of funds or by credit card. At the time a person requests such a payment to be made, Centrelink assesses whether or not the item is acceptable in terms of the use of income managed funds
- direct allocation to stores where people undertake purchases. Again, these payments are made conditional upon the stores agreeing that the funds will only be used for the purchase of non excluded items
- at the end of a period of income management any outstanding balance is returned to the person. Where such a return is made it is usually made at a maximum rate of \$100 per week.⁵⁴

When a person is about to enter into income management they have an 'allocation interview' with Centrelink. A Centrelink Customer Service Adviser works through the person's budget with them and a decision is taken on how the portion of income which is being income managed should be divided between different areas of spending.

⁵⁴ Any residual amount has to be disbursed within 12 months. If the balance is greater than \$5 200 then the weekly return is the amount divided by 52. The payment is made on a fortnightly basis (i.e. \$200 per fortnight).

Since the introduction of NIM in July 2010, a total of \$428 million of income support and related payments have been income managed.

In analysing the way in which these funds have been spent the evaluation has primarily used two datasets developed by Centrelink and provided through FaHCSIA for the evaluation. These datasets were de-identified, both with respect to the individuals being income managed and the merchants involved.

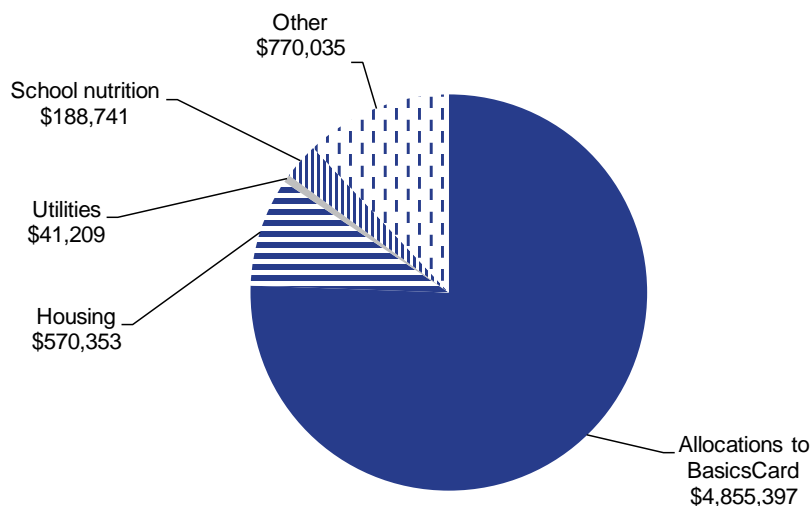
While this data is available for a range of time periods, the focus in this analysis is on allocations in the fortnight ending 28 October 2011 (i.e. the last fortnight for which data were available for this report). This time period is considered to be broadly representative of the NIM program.

5.1 The broad allocation of income managed funds

In the fortnight ending 28 October 2011, a total of \$6 442 235 of income managed funds were allocated⁵⁵ on behalf of 16 393 individuals.⁵⁶ This represents an average fortnightly allocation of \$296 and a median fortnightly allocation of \$318.

As illustrated in Figure 5-1, most funds were allocated to people's BasicsCards. Indeed 76 per cent of funds were allocated for this purpose, 10 per cent were allocated for housing, 0.6 per cent for utilities, 3 per cent for the School Nutrition Program, and 12 per cent for a range of other purposes.

Figure 5-1 Northern Territory, Composition of total allocations of income managed funds: fortnight ending 28 October 2011



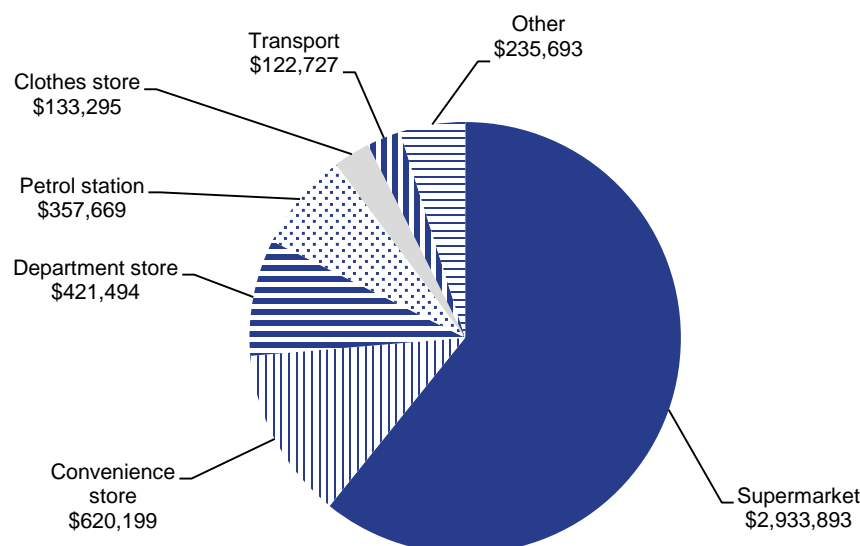
Source: Derived from Centrelink fortnightly expenses report file for fortnight ending 28 October 2011.

⁵⁵ The amounts allocated, while broadly representing actual spending, do not necessarily match either the funds subject to income management in the period or actual spending. This is because some individuals will have unallocated balances in their accounts, while others may be drawing down balances they had accrued in previous fortnights. In addition, while funds may be transferred onto a person's BasicsCard account, these may not necessarily be spent in the same fortnight.

⁵⁶ Except where noted, the population for this chapter include persons in the Northern Territory receiving an income support payment and subject to IM for the fortnight ending 28th October 2011.

In turn, the major share of funds allocated to the BasicsCard is spent at supermarkets (61 per cent), convenience stores (13 per cent) and department stores (9 per cent), as illustrated in Figure 5-2.

Figure 5-2 Northern Territory, Composition of total spending on BasicsCard by type of outlet, fortnight ending 28 October 2011



Source: Derived from Centrelink BasicsCard purchase report file for fortnight ending 28 October 2011.

5.2 More detailed composition of spending

Building a more detailed understanding of the actual composition of spending of income managed funds is more difficult. There are two reasons for this. The first is that many items of direct expenditure of funds are recorded in terms of the way in which payments are made, rather than on the purpose of funding. For example, where Centrelink uses a credit card to pay for an interstate bus ticket, this is only recorded as being a credit card payment and the fact that it was used to pay for a bus ticket is not recorded. The second is that where money is spent using a BasicsCard, only information on the type of merchant is collected, rather than the actual details of items that are purchased.

As a consequence it is not possible to comprehensively track the actual end-purpose of income managed spending. Some insight however, is provided in Table 5-1 and Table 5-2 which show expenditure at the most detailed level available in the administrative system. In addition to showing the more detailed composition of allocations, the first of these tables reports on the proportion of people subject to income management who have an allocation for each of the items, and the average value of this allocation for those who have one.

Table 5-1 Northern Territory, Detailed composition of allocations of income managed funds, fortnight ending 28 October 2011

	Total (\$)	Share of total allocations (%)	Proportion with an allocation to this (%)	Average fortnight value for those with an allocation (\$)
<i>Allocations to BasicsCard</i>	<i>4 855 397</i>	<i>75.6</i>	<i>92.1</i>	<i>322</i>
Other allocations				
Indigenous Community Housing	304 186	4.7	37.8	49
IM Government Housing Rent	205 082	3.2	9.1	138
Indigenous Short-Term Housing	38 705	0.6	0.8	283
General Community Housing	13 494	0.2	0.4	214
Housing Bond	2 568	0.0	1.3	12
Government Housing Rent	2 380	0.0	0.1	183
Government Housing Other Payment	2 220	0.0	0.3	41
Special Interest Loans Mortgage	2 150	0.0	0.0	538
Private Landlords	1 718	0.0	0.0	286
Real Estate Agents	340	0.0	0.0	340
<i>Sub-total Housing</i>	<i>572 843</i>	<i>8.9</i>	<i>48.3</i>	<i>72</i>
Electricity	29 197	0.5	3.2	56
Telephone	9 943	0.2	0.8	73
Water	1 835	0.0	0.3	37
Gas	185	0.0	0.0	62
IM Electricity	2	0.0	0.0	25
<i>Subtotal utilities</i>	<i>41 209</i>	<i>0.6</i>	<i>4.0</i>	<i>63</i>
<i>School Nutrition Program</i>	<i>188 741</i>	<i>2.9</i>	<i>14.1</i>	<i>81</i>
Credit Card (a)	290 987	4.5	7.3	242
Food	280 868	4.4	11.2	154
Travel and Transport	52 497	0.8	4.6	70
Home Care Services	47 578	0.7	3.7	78
Council Services	30 013	0.5	8.5	22
Manual Cheque (a)	27 513	0.4	0.2	809
Household Goods	19 011	0.3	1.4	85
Clothing and Footwear	6 800	0.1	0.6	70
Education Expenses	1 875	0.0	0.3	29
Community Group Loan Repayment	1 675	0.0	0.1	91
Child Care Services	997	0.0	0.1	45
Funeral Expenses	815	0.0	0.0	37
Court Fines	295	0.0	0.0	71
Household Goods	284	0.0	0.0	60
Professional Services	180	0.0	7.3	242
Medical Expenses	48	0.0	4.6	70
<i>Sub total other</i>	<i>761 436</i>	<i>11.9</i>	<i>32.2</i>	<i>144</i>
Total including BasicsCard (b)	6 425 735	100.0	96.1	408

Notes:

(a) These expenditures relate to the method of payment of particular items by Centrelink and not the purpose of the allocation.

(b) Total proportion of people with allocations represents the number of people that have any allocations during the fortnight; those with no allocations may include people with no income in the fortnight or those that are transitioning on or off income management.

Source: Derived from Centrelink fortnightly expenses report file and income management person file for fortnight ending 28 October 2011.

In the allocations data it should be noted that while some of the items reflect actual expenditures on the specific items – typically where Centrelink makes direct payments for rent and similar expenses, this is not always the case. In some cases the item refers, as discussed above, to the mode of payment used by Centrelink to make a payment to a merchant who does not accept the

BasicsCard. In other cases (e.g. food) it may reflect a nominal allocation for this purpose as a consequence of the allocation interview but where the payment is then, for example, made through a payment to a store on behalf of the person.⁵⁷

After the BasicsCard, the largest allocation is for housing, representing some 9 per cent of all allocations. As shown in Table 5-1, the amount allocated to housing varies considerably by the type of housing people are in. The most common form of housing for which payments are made is Indigenous community housing, with 38 per cent of people on income management having such an allocation – with an average value of \$49 per fortnight.⁵⁸ This is followed by 9.1 per cent of the population on income management with payments for government housing at an average cost of \$138 per fortnight. While much smaller proportions pay rent to private landlords or through a real estate agent, the average costs in these cases are much higher, \$286 and \$340 per fortnight.

In considering these costs it also needs to be kept in mind that many people who are subject to income management are living in households with others who are not subject to income management and who may be paying all or part of the housing costs. This factor may also have impacted on the relatively small expenditure, just 0.6 per cent of total allocations, on utilities.

The next largest single allocation is for the School Nutrition Program. This program, introduced as part of the NTER, is a breakfast and/or lunch service for school-aged children in remote communities of the Northern Territory. It has the objective of supporting better school attendance and helping with learning and engagement in education. The maximum cost for parents and carers is \$35 per week for a child participating in the program.

Table 5-2 presents detailed information on BasicsCard expenditure by type of merchant. This merchant level represents the most detailed level of expenditure information available on the BasicsCard in the administrative system. In particular, data is not available on the items that individuals actually spend their money on.

As discussed above, and seen in Figure 5-1 above, most expenditure using a BasicsCard takes place at supermarkets, convenience stores, department stores and petrol stations. On average each person makes four transactions each fortnight, with an average value of \$38.74.

Most transactions people make are small. The median value of all transactions is \$12. Around a quarter of transactions are under \$10 each, and three quarters are under \$50.

⁵⁷ A further complication with this data, as is evident in the table, is that there can be multiple codes for similar types of expenditure.

⁵⁸ While some people living in remote communities pay rent this is not the case for all communities, nor for all housing in some communities.

Table 5-2 Northern Territory, BasicsCard, detailed composition of spending by merchant type, fortnight ending 28 October 2011

	Total expenditure	Share of total Expenditure (%)	Per cent of people on IM with this type of expenditure (%)	Average value of transaction (\$)	Median value of transaction (\$)	Average transactions by people on IM in fortnight
Supermarket	2 933 892	60.8	81.6	41.14	23	5.3
Convenience store	620 198	12.9	33.2	30.95	20	3.7
Department store	421 494	8.7	19.6	57.15	35	2.3
Petrol station	357 668	7.4	28.3	28.30	20	2.7
Clothes store	133 295	2.8	8.4	62.67	41	1.5
Transport	122 727	2.5	9.6	27.45	15	2.8
Butcher	40 309	0.8	4.3	37.96	23	1.5
Secondhand goods	30 946	0.6	3.7	33.38	16	1.5
Hardware store	29 712	0.6	1.7	34.79	21	3.1
Automotive Repairs	21 256	0.4	1.0	109.57	69	1.2
Chemist/pharmacy	20 091	0.4	3.9	23.78	16	1.3
Discount store	19 601	0.4	3.4	27.00	17	1.3
Short term Accommodation	12 226	0.3	0.6	97.03	56	1.4
Newsagent	11 744	0.2	1.3	40.64	30	1.4
Bakery	10 716	0.2	1.2	24.64	18	2.3
Medical service	8 760	0.2	0.8	41.52	30	1.7
Furniture store	8 388	0.2	0.4	107.55	50	1.3
Shoe store	7 098	0.1	1.4	28.51	20	1.1
Toys	4 090	0.1	0.3	81.81	46	1.1
Other	3 964	0.1	0.8	12.91	10	2.2
Education outlet	3 888	0.1	0.4	37.76	28	1.5
Deli	1 652	0.0	0.2	20.15	11	2.1
Fruit and vegetables	762	0.0	0.1	22.43	13	2.1
Bookstore	430	0.0	0.0	43.10	33	1.3
Whitegoods	50	0.0	0.0	50.00	50	1.0
Total	4 824 992	100.0	91.4	38.74	12	4

Note:

(a) The total differs from the total given in Table 5-1. This reflects a range of factors including lags between allocation and expenditure; residual balances on the BasicsCard from previous fortnights; and the extent to which some allocated funds were not spent for the current fortnight.

Source: Derived from Centrelink BasicsCard purchases file and income management person file for fortnight ending 28 October 2011.

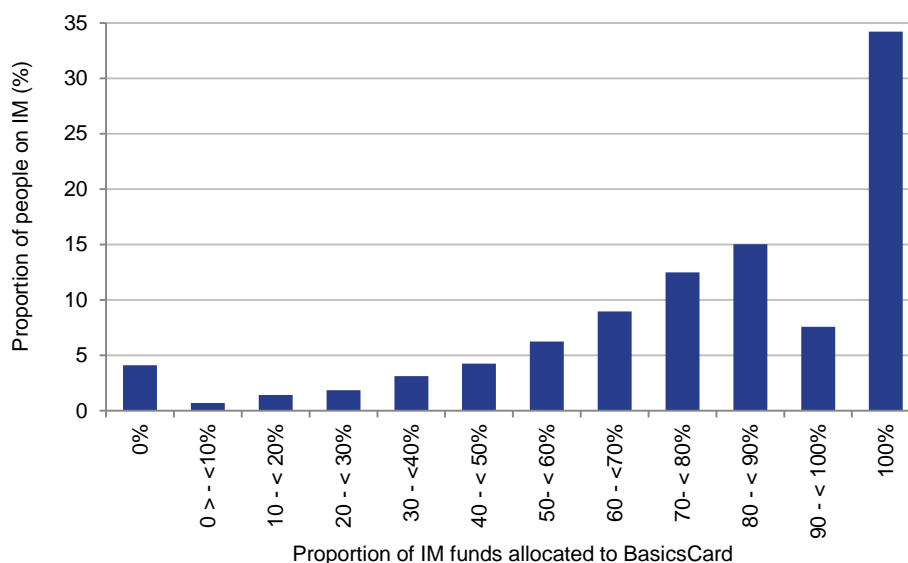
5.3 Distribution of composition of allocations

There was considerable variation in the pattern of distribution of allocations between individuals on income management.

Of particular interest is the relative role of the BasicsCard. Figure 5-3 illustrates the distribution of the proportion of income managed funds allocated to the BasicsCard across the total income management population in the Northern Territory at the end of October 2011.

Just over a third of all people (34 per cent) on income management had 100 per cent of their income managed funds allocated to the BasicsCard. At the other end of the distribution, 4 per cent had no funds allocated to a BasicsCard. Looking at various points of the distribution, over half the population had 84 per cent or more of their funds allocated to the BasicsCard, and just 16 per cent had less than half.

Figure 5-3 Northern Territory, Persons subject to income management, distribution of proportion of income managed funds allocated to BasicsCard, October 2011



Source: Derived from Centrelink fortnightly expenses report for fortnight ending 28 October 2011.

This clearly shows that the BasicsCard, as well as representing the main way in which income managed funds were allocated in aggregate, represented the main form of allocation for most individuals on income management.

5.4 Allocations by characteristics of persons subject to income management

This following section considers the relative patterns of allocation of income managed funds for different population subgroups. In addition it presents for each of these groups the mean and median⁵⁹ level of funds subject to income management. The latter varies primarily due to the particular form of income support the person receives (that is their pension or allowance and any related transfers such as for children). As a consequence, the level often reflects family size rather than relative wellbeing. As has been discussed previously virtually all people on income management were subject to an income management level of 50 per cent, and the numbers on Child Protection Income Management (subject to 70 per cent) are too small to affect overall aggregates.

5.4.1 Allocation by income management category

Table 5-3 shows the patterns of allocation for people classified by Indigeneity and whether the person was on a form of compulsory or voluntary income management.

⁵⁹ The mean is the average of total expenditure for all people, the median refers to the point in the distribution where half the people spend more and half spend less

Table 5-3 Composition of allocation by income management stream and Indigenous and non-Indigenous, fortnight ending 28 October 2011

Allocation of IM funds	IM stream:					
	CIM, CPIM & VULIM)			VIM		
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total
	- % -	- % -		- % -	- % -	
Housing	9.9	7.1	9.6	11.3	12.5	11.3
Utilities	0.4	2.6	0.7	0.4	3.1	0.4
School nutrition	3.1	0.1	2.8	1.5	0.0	1.4
BasicsCard	78.6	70.6	77.8	71.6	73.6	71.6
Other	7.9	19.6	9.2	15.2	10.8	15.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
IM allocation (\$ per fortnight)						
Mean (\$)	386	354	382	419	420	419
Median (\$)	287	253	280	350	292	350

Source: Centrelink expenses report and income management person files for fortnight ending 28 October 2011.

While perhaps more marked by consistency rather than difference, this and the following tables highlight some variations in the way in which these groups allocated their funds.

Amongst those on the various compulsory streams of income management, Indigenous people tend to allocate a greater share of their funds to their BasicsCard than non-Indigenous persons. They also allocated somewhat more to housing and less to utilities. They are also, as would be anticipated given their geographic locations, the main user of income management to pay for the School Nutrition Program which is directed at remote areas. Non-Indigenous people tended to allocate a lot more of their funds (20 per cent compared with 8 per cent) to the large number of items that made up the 'other' component.

Relative to those on the compulsory measures, people on Voluntary Income Management allocated more to housing, a little less to the BasicsCard and more to 'other' expenditures.

5.4.2 Allocation by income support type

There is more variation in the pattern of allocation of funds when the population is classified by the type of income support payment that people are on. This is illustrated in Table 5-4 which shows the population on the compulsory streams of income management by the three main forms of income support (Newstart Allowance, Parenting Payment Partnered and Parenting Payment Single) and the Voluntary Income Management population by those on the Disability Support Pension.

Table 5-4 Composition of allocation by income management stream and type of Income support, fortnight ending 28 October 2011

Allocation of IM funds	Newstart Allowance	Disability Support Pension	Parenting Payment Partnered	Parenting Payment Single	All(a)
CIM, CPIM & VULIM					
			- % -		
Housing	10.2	-	9.3	11.4	10.2
Utilities	0.6	-	0.3	1.6	0.7
School nutrition	1.4	-	7.1	3.8	3.1
BasicsCard	78.1	-	75.7	74.1	76.8
Other	9.6	-	7.7	9.1	9.2
Total	100.0	-	100.0	100.0	100.0
Mean (\$)	282	-	562	587	402
Median (\$)	233	-	429	513	307
VIM (b)					
			- % -		
Housing		11.5			11.2
Utilities		0.4			0.4
School nutrition		1.2			1.4
BasicsCard		74.3			74.7
Other		12.6			12.3
Total		100.0			100.0
IM allocation (\$ per fortnight)					
Mean (\$)		408			413
Median (\$)		345			345

Note:

(a) The table shows the four most common income support types paid to people subject to income management. Remaining types of income support are not shown but are included in the total.

(b) Given the small number of people on Voluntary Income Management on the other payment types, only data for those on the Disability Support Pension is identified. Similarly data is not shown for the small number of people on the Disability Support Pension subject to Voluntary Income Management.

Source: Derived from Centrelink fortnightly expenses report database.

While the focus of the table is on the allocation of funds, also noticeable are the differences in the level of funds subject to income management, with the median ranging from \$233 for a person on Newstart Allowance to \$513 for a person on Parenting Payment Single. These are a product of both the different rates of income support payments and the extent to which some people receive additional assistance for children and housing.

Those on Parenting Payment Single had the highest allocation to housing costs of the populations on compulsory streams of income management, as well as the lowest allocation to the BasicsCard, although even in this group 74 per cent of funds were allocated to this. The pattern of spending on the School Nutrition Program reflects the extent this is limited to parents in remote communities.

5.4.3 Allocation by location

The impact of different geographic locations on allocation of funds is considered in Table 5-5. There are relatively few differences in allocations between NTER communities and other locations in the Northern Territory. For both Compulsory Income Management and Voluntary Income Management, the main difference is that in NTER communities a lower proportion of income managed funds are

allocated to housing compared to in communities which were not subject to the NTER.

Table 5-5 Composition of allocation by income management stream and location, fortnight ending 28 October 2011

Allocation of IM funds	IM stream:			
	CIM, CPIM & VULIM		VIM	
	Not NTER Community	NTER Community	Not NTER Community	NTER Community
	- % -			
Housing	13.1	9.0	15.4	10.6
Utilities	1.5	0.1	0.9	0.3
School nutrition	1.0	3.7	0.4	1.6
BasicsCard	77.2	79.0	74.2	71.2
Other	7.2	8.1	9.1	16.3
Total	100.0	100.0	100.0	100.0
IM allocation (\$ per fortnight)				
Mean (\$)	399	382	406	421
Median (\$)	293	285	348	350

Source: Derived from Centrelink fortnightly expenses report database and income support payments file for fortnight ending 28 October 2011.

5.4.4 Allocation by family type

Table 5-6 Composition of allocation by income management stream and family type, fortnight ending 28 October 2011

Allocation of IM funds	Single no children	Single parent	Couple with children	Couple no children	Total
CIM, CPIM & VULIM					
	- % -				
Housing	7.2	11.0	9.2	12.0	9.6
Utilities	0.6	1.5	0.3	0.2	0.7
School nutrition	0.0	4.3	7.9	0.1	2.8
BasicsCard	82.0	74.0	75.1	78.2	77.8
Other	10.1	9.3	7.5	9.5	9.2
Total	100.0	100.0	100.0	100.0	100.0
IM allocation (\$ per fortnight)					
Mean (\$)	244	573	553	243	382
Median (\$)	233	495	419	213	280
VIM					
	- % -				
Housing	10.7	8.7	9.7	13.9	11.3
Utilities	0.4	0.6	0.4	0.5	0.4
School nutrition	0.1	7.2	9.8	0.1	1.4
BasicsCard	72.3	70.4	69.5	71.2	71.6
Other	16.4	13.1	10.6	14.4	15.2
Total	100.0	100.0	100.0	100.0	100.0
IM allocation (\$ per fortnight)					
Mean (\$)	400	640	635	328	419
Median (\$)	355	550	435	268	350

Source: Derived from Centrelink fortnightly expenses report, income management person and income support payments files for fortnight ending 28 October 2011.

Table 5-6 illustrates the pattern of allocation of funds by family type. Most marked in this table is the high allocation (82 per cent) of funds to the

BasicsCard by single people on compulsory streams of income management. This group also has a low share of expenditure on housing. As would be anticipated from the earlier tables, and the high proportion of the group who are Indigenous and live in remote locations, couples with children have the highest allocation to the School Nutrition Program, with this holding across the different streams of NIM.

5.5 Patterns of expenditure – summary

While some administrative data is available on the pattern of allocation of income managed funds, this only gives a limited insight into the actual ways in which this money is spent. In particular, while the program seeks to ensure that the money is spent on essential items the data primarily reflects the characteristics of the merchant or service to which the funds are paid, rather than tracking actual spending at the commodity level.

Overall it is clear that the main way in which income management funds are spent is via the BasicsCard, with the bulk of this spending taking place in supermarkets and convenience stores. Indeed just over a third of people on income management have the complete value of their income managed funds allocated to their BasicsCard.

While there are some differences in the pattern of allocations between different population subgroups, and between the streams of income management that people are on, these tend to be relatively small. One exception to this is spending on the School Nutrition Program which is driven by location and by family type.

6. THE OPERATION OF, AND VIEWS ABOUT, THE BASICSCARD

6.1 Introduction

A central aspect of the implementation of NIM has been the introduction of the BasicsCard. As detailed in Chapter 5, a high proportion (82 per cent) of income managed money is allocated to the BasicsCard. The proportion of income subject to income management allocated is higher for Indigenous people (83 per cent) than non-Indigenous people (72 per cent). The card, which uses the EFTPOS system, is the 'technology' which allows those subject to income management to spend their income managed money at shops that are approved to accept the BasicsCard; this prevents them from spending this money on excluded items. It also allows those being income managed to keep track of their expenditure and how much of their managed money they have available.

While there is nothing to stop anyone using another person's BasicsCard if they have the PIN for the card, several aspects of the BasicsCard are designed to make it a less attractive target for financial harassment or abuse. All those being issued with a BasicsCard are provided with a copy of the BasicsCard Customer Terms and Conditions which asks customers to keep their PIN secret.⁶⁰ There are messages in the various income management communication products that encourage customers to keep their card safe and not to give their card to anyone else. BasicsCards cannot be used to withdraw cash or to purchase alcohol, tobacco, pornography or for gambling. In addition, the cardholder or Centrelink can set a daily spending limit or a daily allocation to the card. The BasicsCard has the card holder's name printed on it.

While not an explicit objective of NIM, the BasicsCard provides some elements of a fee free banking service such as free transactions and balance enquiries. As we detail below, there is strong evidence that this makes the card attractive to some of those on a low income, particularly those living in remote areas where high banking fees and transaction costs can be a major problem (House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2009b; McDonnell, 2003; Australian Financial Counselling and Credit Reform Association, 2010).⁶¹

In remote Indigenous communities there is frequently only one ATM and the fees are commonly \$2.00 to \$2.50 per transaction, including for checking the

⁶⁰ The terms and conditions of use of the BasicsCard are at Appendix G. While these reflect usual debit card conditions, it could be considered that the length and language of these conditions is not well pitched at many of the client group.

⁶¹ See also Smith and Jorna (2011).

account balance. In some cases the fee per transaction is substantially higher (House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2009a).⁶²

Such transaction costs can become a substantial drain on potential spending both because of their size and the frequency with which they are incurred. This latter occurs for a number of reasons. The first is that the fee applies to all transactions, including simple account balance checks. The second is that many Indigenous people report that they make a number of small purchases and withdrawals as a way of managing their money and limiting the extent to which they are put under pressure to provide money to family.

In a submission to the House Standing Committee on Aboriginal and Torres Strait Islander Affairs on 29 April 2009, Peter Johns, the Kaltjiti Store Manager gave the following evidence (HOR ATSIA, 2009a):

'...no matter what your situation is with your own bank, in using a foreign ATM everyone has to pay a \$2 fee. What I have noticed is that the people who can least afford to pay any bank fees are the ones who are paying the most—for example, the people who are on Centrelink benefits. I have seen instances of people doing a balance check of their account through an ATM, which incurs a \$2 fee, two or three times a day. If the money is not there the first time then they will try again a little bit later and keep trying again until their benefit is actually in their bank account. I would be horrified to see the bank statements of some of these people who live in these communities because the ATM is the only way of getting their money, apart from the few who still get paid by cheque from Centrelink.'

In addition to being the main way by which income management funds are spent, the BasicsCard is the main aspect of being income managed which is publicly visible when used to check balances at BasicsCard kiosks or when making purchases at stores.

Over 98 per cent of people subject to income management have had a BasicsCard issued to them, though this proportion varies between the Indigenous and non-Indigenous population (99 per cent compared to 92 per cent). BasicsCards are issued by Centrelink staff at a Customer Service Centre, and are replaced free of charge.

The remainder of this chapter is structured as follows. It initially discusses the range of sales outlets which accept the BasicsCard, and then examines the number of BasicsCards being issued and the reasons for issuing replacements, using Centrelink administrative data. The chapter then draws on interviews with Centrelink, money management and financial counsellors, and merchants operating businesses in the Northern Territory, as well as people subject to income management (whose views of the BasicsCard are also explored in more depth in Chapter 10).

⁶² Because there is often only a single ATM in a community and fees are often charged for every transaction the ability of an individual to avoid fees by using their own bank ATM, which is a possibility for people in larger towns and cities, is not an option in many remote Indigenous communities.

6.2 Merchants who accept the BasicsCard

There are 698 merchants across the Northern Territory approved to accept the BasicsCard (for merchants with stores in more than one location, each location is counted separately). These form part of the Australia-wide network of 5 270 approved merchants. Table 6-1 reports the number of approved merchants in the Northern Territory by type of business. The types of businesses with the largest number of merchants are supermarkets (127), clothes stores (91), petrol stations (78), convenience stores (67) and automotive repairs (58).

Table 6-1 Northern Territory, Number of BasicsCard approved merchants by type of business, March 2012

Type of business	Number of merchants in NT approved to accept BasicsCard
Automotive Repairs	58
Bakery	3
Bookstore	1
Butcher	26
Chemist/pharmacy	30
Clothes store	91
Convenience store	67
Deli	1
Department store	24
Discount store	8
Education outlet	26
Fruit and vegetables	4
Furniture store	7
Hardware store	15
Medical service	8
Newsagent	4
Other	3
Petrol station	78
Secondhand goods	23
Shoe store	15
Short term Accommodation	19
Supermarket	127
Toys	4
Transport	55
Whitegoods	1
Total	698

Source: Centrelink BasicsCard Merchant List, as of 24 March 2012, (Centrelink, 2012b).

Approved merchants in the Northern Territory include the major supermarket chains (Coles and Woolworths), department stores (including Target, Kmart, Best and Less, and Woolworths) and some petrol station chains (including BP, Caltex, United, Mobil and Coles Express).

The number of retail outlets approved to accept BasicsCard in the Northern Territory has increased since the commencement of income management, but there are still many smaller retail outlets that do not accept the BasicsCard (FaHCSIA, 2011b, p. 32). One factor which is taken into account when approving a store to accept the BasicsCard is the share of sales which are on priority goods (FaHCSIA, 2011b, footnote 1035). Outlets such as market stalls have been able to be approved for the BasicsCard from September 2011.

Checking BasicsCard balance

As outlined in Chapter 2, BasicsCard balances can either be checked over the telephone, over the internet, at a Centrelink Office or at a BasicsCard Kiosk (similar to ATM, but does not dispense cash). In addition, some merchants offer the option of printing the BasicsCard balance on receipts. These methods of checking the BasicsCard balance are all free, although there may be costs to the person checking their balance in the form of phone call or internet access costs.

In June 2012, there were BasicsCard Kiosks in ten locations in larger population centres in the Northern Territory; Alice Springs (two locations), Bathurst Island, Darwin (five locations), Katherine, and Wadeye (Centrelink, 2012c).

More recently it has been possible for merchants to print BasicsCard balances on EFTPOS receipts. As at March 2011 a small number of larger retailers (Coles supermarkets, Coles Express, Target, Target Country, Kmart, Kmart Tyre and Auto Service, and Bi-Lo) were offering this option.

6.3 Number of BasicsCards issued and reasons for reissue

One way of understanding how the BasicsCard is used is to examine the number of BasicsCards issued and the reasons for cards being reissued.

The number of cards issued may be an indicator of the extent to which those subject to income management:

- have lifestyles which are associated with losing their BasicsCard
- treat the BasicsCard as disposable and therefore easily replaceable for no charge.

On average, people being income managed have had 3.6 cards issued during their current spell of income management (Table 6-2). This equates to 59 013 BasicsCards.⁶³

Table 6-2 Number of BasicsCards issued during current spell of income management by type of income management, October 2011

	Indigenous	Non-Indigenous	Total
Average number of cards issued			
CIM	3.3	1.2	3.1
CPIM	2.1	1.2	2.1
VIM	4.8	2.7	4.8
VULIM	8.2	4.5	8.1
Total	3.8	1.3	3.6

Source: BasicsCards issued and income management client datasets as at 28 October 2011.

There are differences in the number of BasicsCards issued according to income management measure. Those on Compulsory Income Management had, on

⁶³ This is based upon 16 393 people being income managed.

average, 3.1 BasicsCards issued. Those on Voluntary Income Management had 4.8 cards issued and those on Vulnerable Income Management had an average of 8.1 cards issued, more than twice the average number of cards issued when compared with those on Compulsory Income Management.

The longer a person has been on income management the greater the opportunity for them to lose or damage their BasicsCard and hence require a replacement card. Table 6-3 provides information on the number of BasicsCards issued according to length of time on NIM. As expected, the number of BasicsCards issued per person increases with length of time on income management. Over one-third of those who had been on NIM for 12 months or more had four or more replacement cards issued.

Table 6-3 Number of cards issued during current spell of income management by length of time on NIM, October 2011

	Length of time on IM:			Total
	Up to 6 months on IM	6-11 months on IM	12+ months on IM	
	- % -			
No cards issued	4.0	0.7	0.1	1.4
1 card issued, no replacements	68.6	36.6	23.8	40.2
2-4 cards issued (1-3 replacements)	24.0	37.0	39.0	34.0
5+ cards issued (4+ replacements)	3.3	25.7	37.2	24.3
Total	100.0	100.0	100.0	100.0
Average number of cards issued	1.5	3.9	4.8	3.6
Total persons	4 900	3 918	7 561	16 392
Note:	There are 13 records with missing data on number of weeks currently on income management or are excluded from the data presented by duration on income management but included in the total.			
Source:	BasicsCards issued and income management client datasets as at 28 October 2011.			

Indigenous people had an average of 3.8 BasicsCards issued whereas the average for non-Indigenous people was 1.3 (Table 6-4). Indigenous people are much more likely to have 5 or more cards issued (27 per cent) than are non-Indigenous (2 per cent).

Table 6-4 Number of cards issued during current spell of income management by Indigenous status October 2011

	Indigenous	Non-Indigenous
	- % -	
No cards issued	0.7	8.5
1 card issued, no replacements	37.1	71.7
2 - 4 cards issued (1-3 replacements)	35.6	17.5
5+ cards issued (4+ replacements)	26.5	2.3
Total	100.0	100.0
Average number of BasicsCards	3.8	1.3
Total persons	14 926	1 466

Source: BasicsCards issued and income management client datasets as at 28 October 2011.

There is little difference in the number of BasicsCards issued according to whether or not the person has dependent children or according to gender.

Table 6-5 provides information on the reasons for the reissuing of BasicsCards. The reasons for replacement are self-reported by the person subject to IM and Centrelink have advised that there is no verification of the reason for replacement. By far the most common reason for a BasicsCard being reissued is that the card was lost (77 per cent) followed by the card being damaged (12 per cent). The other reasons such as it being stolen or left at home were much less common reasons for the replacement of a BasicsCard. Centrelink have advised that they believe that the number of cards reported as being lost is likely to be overstated by the fact that it's the first option in the pick list available to the Customer Service Agent and customers, who, for example have left their card at home, often say that they have lost their card in order to get a replacement card.

Although the average number of cards issued to Indigenous people was more than to non-Indigenous people, the reasons for cards being replaced were similar for Indigenous and non-Indigenous (Table 6-5).

Table 6-5 Reasons for BasicsCard replacement by Indigenous status, October 2011

	Indigenous	Non-Indigenous	Total
	- % -		
Lost	76.7	70.0	76.7
Damaged	11.8	14.1	11.9
Stolen	4.0	5.0	4.0
Other (expired, left card at home, missing reason, customer request, given to 3rd party including retained at merchant)	7.4	10.9	7.5
Total	100.0	100.0	100.0
Total number of cards issued	42 238	616	42 854

Notes: Does not include first card issued if a replacement from previous income management spell.

Source: BasicsCards issued and income management client datasets as at 28th October 2011.

Overall there were few replacements for non-Indigenous clients. Indigenous people, however, had replacement cards issued at a relatively high rate. The extent to which this reflects the nature of people's lives, or the extent to which it reflects that the BasicsCard is dispensable and easily replaced, is not clear from this data. Further insight into the reasons for high levels of replacement amongst Indigenous people is given below.

6.4 Merchants' views about the BasicsCard

The survey of merchants in the Northern Territory who were approved to accept the BasicsCard included several questions about their perceptions of customers' experiences using the BasicsCard. The sample of merchants included both retailers of food and other essential goods as well as those who accepted BasicsCard for services such as school lunches, medical care and transport. Amongst the merchants who responded to the survey, 81 operate in remote locations.

Merchants were asked about whether they thought customers felt comfortable using their BasicsCard, whether it was difficult for customers to know how much

money is available on their BasicsCard, and whether customers using the BasicsCard have a clear understanding of its use.

The merchants interviewed believed that customers felt comfortable using their BasicsCards (Table 6-6). Nevertheless, as will be outlined in Section 6.5 and in Chapter 10, there is convincing evidence that for some customers there was embarrassment or shame associated with using the BasicsCard.

Most merchants reported that in their experience customers had a clear understanding of the use of the BasicsCard (77 per cent strongly or mostly agreeing). Responses to the question about whether it was difficult for customers using the BasicsCard to know how much money was available on it were more evenly distributed, with just over half agreeing that it was difficult for customers to know their balance (51 per cent). This is consistent with data collected from Centrelink staff and qualitative information collected from users of the card that pointed to the difficulties some people have in checking their BasicsCard balance (see section 6.5).

Several merchants discussed this issue in more detail in their open ended responses at the end of the survey.

There should be a system at the checkout to check their balance because its either they buy all their stuff and find they don't have enough money and then at checkout have to call Centrelink and check how much is on their account, which holds everyone up.

Merchant

It works well, the biggest problem is that they never know how much is in it. We put things in the cash register and then we have to pull it out if they do not have the money.

Merchant

Table 6-6 Merchants' perceptions of customers' experience of using BasicsCard

	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Total
	- % -				
Customers feel comfortable using their BasicsCard in this store	77	15	3	4	100
Customers using the BasicsCard have a clear understanding of its use	48	29	15	8	100
It is difficult for customers using the BasicsCard to know how much money is available on it	26	26	26	23	100

Notes: There were 103 merchants who participated in the survey. The proportion of 'can't say/don't know' responses or not applicable for the individual questions was 9 per cent for the questions about customers understanding of its use, 13 per cent for difficulty for customers to know how much money is available on their BasicsCard, and 12 per cent for the questions about how comfortable customers felt using their BasicsCard.

Source: Survey of NT Merchants 2011.

In the qualitative component of the telephone interview, the merchants said that people are using each other's cards. About one-in-ten of the merchants interviewed identified this as an issue. One merchant felt that it was difficult for the merchant to tell whether a BasicsCard being used belonged to the person using the card.

There needs to be more security. You created a card with no identity so anyone can use the card... There may be a name but it's hard to identify if it's that person. Other people use each other's cards. How can you stop that?

Merchant

A suggested solution to this issue was to add a photo to the card to ensure that only the person whose card it is can use it.

Yeah you know as I say photo ID would help and some way of an ATM or something that tells them how much is on it. Overall it's a good thing, it's got its teething problems but it's good.

Merchant

As discussed below, this idea also arose in discussions with Centrelink staff.

Some of the participants in the longitudinal survey saw the sharing of BasicsCards as being consistent with Aboriginal culture and a way for families to share scarce resources.

6.5 Operation and use of the BasicsCard

A number of themes about the BasicsCard emerged across the qualitative interviews with those subject to IM, Centrelink staff, money management workers, and financial counsellors. These included:

- reducing financial abuse, including the impacts of the BasicsCard in reducing the prevalence of financial abuse
- the benefits of fee free banking
- practical problems using the BasicsCard
- embarrassment and stigma associated with using the BasicsCard.

6.5.1 Financial abuse

There is evidence from the qualitative interviews with those subject to income management, Centrelink staff and money management and financial counselling service providers, that the BasicsCard (and income management more broadly) can assist in reducing financial abuse and/or harassment. However, the BasicsCard does not remove financial harassment and abuse (and indeed can exacerbate it in certain circumstances), and therefore income management is only a partial solution to this problem.

A number of people subject to IM commented that they liked income management and the BasicsCard because it reduced the extent to which they were subject to financial harassment. As noted by some clients, there are fewer money problems due to less cash on hand which might otherwise be given or taken by others in their family.

Income management has helped and BasicsCard has helped because family can't ask you for your money.

Indigenous woman, Alice Springs

(Income management is) Safer because no humbug from family.

Indigenous woman, Remote NT

I have that BasicsCard and my husband can't get that money so I have food in my house.

Indigenous woman, Remote NT

There were mixed views among Centrelink staff about whether the BasicsCard helped to stop people being financially harassed. A number of the Centrelink staff interviewed commented that the BasicsCard does help reduce the incidence of financial harassment.

We've been able to stop a lot of humbugging and stuff like that...we can just not give them a BasicsCard and we can allocate the money so that they can use it.

Centrelink Customer Service Adviser

I've seen it in the street where a person's come up to try to get money off someone and the guy's pulled out his BasicsCard and said, I've only got BasicsCard, no money. Okay, and off they go to the next person. I mean, I know some of the multicultural customers who have come off income management have kept their BasicsCard for that purpose. They've told their family, I haven't got any money, all my money's on my BasicsCard.

Centrelink Customer Service Adviser

One theme that emerged was that the BasicsCard (and income management more generally) was used by some people as a way of resisting giving money to family or other members of their community. This is illustrated by the following quote from a Centrelink Customer Service Adviser:

The social exploitation that occurs for customers ... is huge. The amount of pressure because of cultural norms. What this does is allow them to say '...I can't give you the money because Centrelink won't let me have it until tomorrow', which is a culturally acceptable practice to blame somebody bigger and stronger; to say they said, it's not up to me. Whether that's how they like it or not doesn't come into question because they are the passive recipient.

Centrelink Customer Service Adviser

While Centrelink staff believe that income management and the BasicsCard could assist in reducing financial harassment, they said that financial harassment still occurred with the BasicsCard.

The BasicsCard still gets used as the ATMs used to. So in terms of family obligations - I've seen people in stores where you'll have four or five cards. Obviously you're not allowed to but there's pressure on the store workers as well. So they'll just be flicking through different cards. So if there is a situation of family pressure or family obligation that hasn't - it might make it a little bit more difficult than asking directly for cash, but there is pressure on people to hand over the money that's saved.

Centrelink Customer Service Adviser

Another thing is like well old people... They don't know what to do; you know....the card is taken off them. Everybody uses everything. There needs to be something put in place to help those old people....In my community it's hard for old people to walk down all the way to the shop to sign the paper. So they send somebody else down with their key card or BasicsCard, and then that person who they sent it down with probably buys things for themselves as well.

Money management worker

The ability to set up daily allocations to the BasicsCard was seen by Centrelink staff as a useful tool to assist in protecting vulnerable customers. That way the card only allows for purchases of a small amount of food each day to both ensure that people have some funds for this purpose across the payment period and to try and minimise financial abuse.

However, even these arrangements can have their limits for the most vulnerable customers who may still lose their cards or have their cards taken by other people.

We have one bloke that we allocate \$30 a day to because he's just got no sense of what he's supposed to do with it. He lives on the street but that's all you can do. We give him a BasicsCard and he can't remember his PIN number. So what do you do? We are clutching at straws sometimes.

Centrelink Customer Service Adviser

BasicsCards were not always seen as protecting vulnerable clients from financial abuse, with service providers reporting that they were still stolen and/or misused by others. In remote communities, one solution used by Centrelink social workers in these circumstances is to have a daily allocation to a store where the client is known.

*We've got them on daily allocations, so the next day they can wake up, come in, get another card, have another allocation and start again. So we have quite a lot of people who have cards being reissued every two or three days. That will never stop. Because they'll give the cards away or people will take them or - because the way the culture is here around family and culture, the sense of obligation - the cultural obligations to share are strong. There's also fear of violence and abuse for young - from older fellas, from young fellas. They'll say to you I don't like that card because those young fellas come and take it from me, or they crack me if I don't. **Interviewer: So the card can increase someone's vulnerability?** So often, we would then set up other alternatives like direct allocations to shops.*

Centrelink social worker

Some of those subject to income management said that there is more financial harassment due to the reduced availability of cash. Family members who have problems with smoking, alcohol, drugs or gambling may seek other ways to fund these habits. If they can't get cash they often 'humbug' for the BasicsCard. BasicsCards are also used for currency in card games and gambling.

There have been some unintended consequences. Some of those subject to income management talk about giving up work because they wanted to be

income managed in order to reduce financial harassment. There were also some respondents who said that they would like their employer to put their pay 'onto' a BasicsCard in order to assist them to help keep their money safe—this of course is something employers cannot do.

There are more robberies and violence due to less cash and this is thanks to the BasicsCard. I can't help out my son at all. I will be on the BasicsCard as of next fortnight and I was on the BasicsCard prior to becoming a carer. I was only off the BasicsCard for three and half months. I am worried about my son when I am on BasicsCard.

Indigenous man, Darwin

6.5.2 Fee free 'banking'

The fee free nature of the BasicsCard was seen by Centrelink staff as being of benefit to those subject to income management and they believed that bank fees could be a big problem for income support recipients.

A lot of people are attracted to Centrepay and BasicsCards, because customers aren't incurring any fees. Whereas if I was to pay through BPAY or through my own bank account, I'm tapped with account fees, whereas they're not.

Centrelink Customer Service Adviser

I think it's the convenience of the BasicsCard myself, the green card... The ones who get it - get it, that it's providing them with a bill paying service that they don't have to pay for. So the ones who get it - get it and use it. Even the ones who don't like it I have encountered where they will come on and go off and go on and go off because it helps them...

Centrelink Customer Service Adviser

The popularity of the BasicsCard was given as a reason as to why some people choose to be on Voluntary Income Management.

A lot of it is just based around the BasicsCard. 'I want that BasicsCard'. Even when you explain it's still the same amount of money, it just goes to income management now instead of your bank, and the rest of it. They'll go no that's okay, I just want the BasicsCard.

Centrelink Customer Service Adviser

We've had people come in and say, I don't want to be income managed but I want the BasicsCard. So, you explain to them that it's one and the same, they'll stay on to keep their BasicsCard.

Centrelink Customer Service Adviser

The BasicsCard was also seen to be very convenient and quick to obtain (directly from Centrelink) and quick to be replaced.

It's free and it's instant, it's right there at the counter. They don't have to wait three years in the mail to get the card then another week to get a PIN.

Centrelink Customer Service Adviser

However, some Centrelink staff are concerned about being seen 'as a bank'.

They go 'BasicsCard, BasicsCard, BasicsCard' and it's like no that's just one method of accessing income management. It's a very interesting conversation because I'm always mindful of not making us sound like a bank. But there have been many times when I have felt that I'm no longer Department of Human Services... I'm a bank...How much is my BasicsCard, that's the first thing. The green card comes out and how much is on it, what am I, what am I? A kiosk?

Centrelink Customer Service Adviser

Many Centrelink staff also spoke about the high rate of replacement of BasicsCards.

Every time I replace a BasicsCard I try to reiterate to the customer it's - you need to take hold of it. It's your money - it's your entitlement. I don't know I think it's really easy to get a new BasicsCard. Like you just come in and it's like a five minute thing. You can just come in and get one.

I think - I don't know it's perhaps bred this sort of attitude towards the BasicsCard like its disposable. I mean the thing is if you could just go into a bank and get a brand new key card, a brand new bank card straight away then people probably wouldn't look after them quite as much. But it takes a week or two to get a new [bank] card.

Centrelink Customer Service Adviser

A common theme emerging from the interviews with those subject to income management, Centrelink staff, and merchants, was that it could be difficult for people to check the balances on their BasicsCard. This is consistent with the findings of the NTER Evaluation Report 2011 (FaHCSIA, 2011b) which also reported that there were some problems in checking BasicsCard balances and data showing that the majority of declined BasicsCard transactions were declined due to insufficient funds. Since the second version of the BasicsCard was released in April 2010, 22 per cent of BasicsCard transactions have failed and of the failed transactions, 70 per cent are due to insufficient funds (FaHCSIA, 2011b, p. 352).

You don't know what your balance is and you have to call all the time.

Indigenous woman, Darwin

Because I'm able to manage my money I'm sick of the screw ups I'm sick of having to use my own money on calling up and it's embarrassing carrying a BasicsCard around and having to line up.

Non-Indigenous woman, Darwin

This caused some frustration and embarrassment for people when shopping. While options are available for clients to check their balances via telephone, the internet or at a specified BasicsCard kiosk, these methods were not always practicable with people whose first language was not English, or with the elderly or frail. It also meant that checking balances for clients can be a significant part of the work of Centrelink Customer Service Advisers.

We do have - of course we have other customers that come through but the majority of our business is primarily around income management. Re-issuing of BasicsCards and transferring of funds and - because for some

reason, our customers, I don't think have really embraced the self-service options for income management. They have to a degree. They're happy to use the kiosks in the shopping centres but they will stand in line for however long it takes just to find out the balance of their BasicsCard if they're in the office.

Centrelink Customer Service Adviser

There are a lot of customers who don't want to have a bar of self-service and come here for the face to face service...Well I think it's what they're used to, but I think, too, it's - for a lot of the people that come here, English is second or third language so it's very difficult ...so putting them on the phone to do any sort of business, you just can't do it, and you wouldn't do it. You set our customers up to fail if we push self-service like that, so...

Centrelink Customer Service Adviser

Although the use of the BasicsCard is transaction free, there can be telecommunication costs associated with checking account balances. It is free if the call is made from a land line or a Centrelink phone, but a lot of those subject to income management do not have a land line and public phones have often been vandalized and are not working. So in practice many people use mobile phones and this costs money.

Waiting times when calling up for income management is a very long time, you have to use your own credit up waiting on hold.

Indigenous man, Darwin

It was noted in the introduction that the question of transaction costs associated with the use of ATMs in remote Indigenous communities was the subject of a joint review by the Treasury and the Reserve Bank of Australia, and that it is proposed that fee free transactions will become available at ATMS in 76 remote Indigenous communities across Australia. This initiative may have an impact on the role of, and views about the BasicsCard as described here.

6.5.3 Practical problems using the BasicsCard

A number of practical problems using the BasicsCard were identified by survey participants.

Not all merchants accept the BasicsCard

One problem was that the BasicsCard could not always be used where it was most convenient for people to shop or where they would prefer to shop. This was especially the case for farmers markets and other outlets that may sell fresh, cheap food, but that did not have a contract with Centrelink to accept the BasicsCard.

Many survey participants were concerned about the fact that the BasicsCard is only valid at certain shops, and not at markets or for other services such as travel.

Bad thing, because of the limited range of places I can go to spend my money; I'm not trying to go to the bottle shop or a drug dealer.

Non-Indigenous man, Darwin

A particular concern was that the limitations of the merchants where BasicsCard is accepted results in people missing out on better deals or fresher food which is available from markets where the BasicsCard is not accepted.

Because I'm dictated to shop at Coles and Woollies or even Kmart. I like to buy from the locals because I get better deals, fresher food and I like to buy clothing from the markets and I can't take the BasicsCard to the markets.

Non-Indigenous woman, Darwin

Another concern was that they could not always pay for activities for their children because the BasicsCard could not be used. One respondent talked about not being able to take their children to the Katherine show.

When the kids want something it's hard to get it with BasicsCard. I wanted money for the Katherine show. My stepson was crying for things but I couldn't pay for them so we went back home. All the money was in BasicsCard.

Indigenous man, Remote NT

Centrelink staff also identified problems associated with the BasicsCard not being able to be used in all shops.

But it's those little shops that need to get signed up first. You go to the corner store to buy a loaf of bread and milk, I'm not going to drive an extra 20 Ks to go to Woolies to use the BasicsCard to do it so why should a customer? We're not taking their money, we're just telling them that okay, you can't spend it on this but don't make them drive 20 minutes out of their way to use the BasicsCard there when they can't use it there. So I think one of the major things is getting the organisations on board before rolling it out.

Centrelink Customer Service Adviser

Well it's not just indigenous communities, it's also - I've got Indian, Pakistani customers who are the same thing, in that family type environment. African husbands who, you know - sorry, back to the Indian people, who go to certain shops to buy the meat and stuff and they can't use their BasicsCard there because the shop owners don't want to be involved in income management.

Centrelink Customer Service Adviser

Purchasing larger items

Participants reported difficulties in purchasing items which required them to organise for Centrelink to make the payment to the retailer.

Even if you ask for a \$500 loan, its income managed so it doesn't really help. Also if you want to go to Harvey Norman to buy something you got to get their quote on how much it costs then back to Centrelink to get the money and then back. It is such a waste of time.

Non-Indigenous man, Darwin

They told me at Harvey Norman, Good Guys, and then JB Hi Fi told me I need to go to Centrelink and get them to make a cheque and then it takes 3 days for that cheque to get to the shop and that is difficult.

Indigenous woman, Darwin

Makes it easier but some places don't take BasicsCard. Sometimes the BasicsCard lines go down it is a shame job, especially when I'm food shopping and I can't pay for the food. I don't find it a shame job being on BasicsCard but not knowing what is on your card is shame job when you can't pay.

Indigenous woman, Darwin

While it is the case that when the BasicsCard lines go down the entire EFTPOS system is unavailable and no electronic banking is possible, income management means that people have less ability to carry cash and hence do not have the cash alternative available to them to the same extent as they would if they were not subject to income management.

Embarrassment and stigma associated with using the BasicsCard

A common theme was the embarrassment and stigma associated with using the BasicsCard. Stigma was a strong theme from the qualitative interviews of people subject to income management:

I've explained to income management that when I want to take my kids out to dinner I have to get approval and then they send vouchers or a cheque to the place and that's embarrassing. I couldn't even spend it on my daughter for her birthday.

Indigenous woman, Darwin

Basically every time you want to buy something you have to pull out this card and say 'hi I am on the dole people' and some places don't know about the card and it's embarrassing if the government say I have to be on it but yet gives you a chance to get off it. I can only use this card at limited shops and stores if I need fuel and a shop doesn't accept the card I got a drive around on an empty tank till I find somewhere that accept it.

Non-Indigenous man, Darwin

Centrelink staff who took part in the qualitative study also observed that many clients found the BasicsCard as being embarrassing and stigmatising.

This was to some extent exacerbated by the fact that the card was easily identifiable due to its distinctive colour.

There's still that negativity about it, though, it's the stigma of being on income management and pulling out your BasicsCard at the shops. That's what they're embarrassed about... This one customer said that it's the green - the colour of the card that stands out and everyone knows. I suppose because it's not a regular colour of a key card maybe, I don't know, but pulling out the green card and everyone goes oh, she's got the BasicsCard sort of thing and they get embarrassed about that.

Centrelink Customer Service Adviser

There were also reports of people being singled out by shop assistants when they were shopping with their BasicsCard for their choices.

When it came out, well actually even when the store cards came out we had incidences in the supermarkets where the checkout chick would tell the customer, no, oh well you are on that card, you can't have that steak. You go and get that other steak, that cheaper one. You are wasting your money.

Centrelink Customer Service Adviser

Interestingly this also emerged as a theme in the survey of merchants with a small number of survey participants referring to the choices made by customers in their stores as 'inappropriate' – such as buying toys for children - even though they did not fall within the list of excluded items.

The BasicsCard was frequently seen as stigmatising because it identified people as being deficient.

I think there's just the stigma attached to a BasicsCard in some way does because people have had problems with using their basics. Especially because when it was first to certain areas, that it was like shame, that you're being told you can't manage your money. That's what some people say; you say I can't manage my money so I get given this card.

Money management worker

Similarly, service providers participating in the stakeholder consultations reported that single mothers believed that the BasicsCard identified them as bad mothers and some would shop in a suburb away from their homes to try and avoid being seen using it.

6.6 Overall views of those subject to income management

The views of those subject to income management about the BasicsCard are divided. Those who were positive about the card believed that it reduced financial harassment and helped them manage their funds.

It's a good thing - I mean it's a bad thing when you want to buy piss. They've taken me off that income management because I'm working. But I would have liked the choice to put \$100 on my BasicsCard. I'd like to be able to keep the BasicsCard like a bank card (debit card) except I can't access cash from it (doesn't want to access cash from it). That's what's helped me. I'm down to about \$20 a fortnight in that now. I still have the BasicsCard not totally off income management but yeah I'd like to keep that BasicsCard.

Indigenous man, Darwin

The mixed and ambivalent responses to the BasicsCard and income management are illustrated by the experiences of these two Indigenous women in Darwin:

One thing I find is your depression and other added stresses from it (income management). It is making it harder and stressed when not being able to get to funerals causing depression from not having closure. My second family is like my brothers and sisters and mothers and uncles and

Aunties. The women are having the card so there is always food so it doesn't matter when men are taking the cash. I don't know why they are smoking gunja though - it causes schizophrenia. If my little brothers and sisters won't go to school I'm making sure they have income management because they can't live off me, I have 4 kids to look after. I like to have a drink every now and then but I pay for my food and things first. I think that income management is good and the kids are healthier and they are being fed a lot more. The kids are allowed to go to the shops with the BasicsCard and get what they want. If they have the money they will just spend it on grog.

Before income management I had Centrepay. Once everything was done that money left was pocket money and going out money for me. When they put me on income management I laughed. I would use to like to go to the cinema and get dressed up and go to the restaurants and teach my girls how to eat and be at all different places. Coles says we can't buy vouchers with BasicsCards they wouldn't let me take my kids to the Cinema cause I wasn't allowed to buy gift cards. I sent my girls to Broome when I was in Queensland and they had no money so I bought the gift cards to give my girls toiletries and food. When I came back to NT I couldn't buy a gift card for my children and help them like I used to.

Indigenous woman, Darwin

I have mixed feelings about it (income management). I don't feel that I need to be on income management but sometimes it is ok. It takes so long to call the call centre. The father of my oldest child is not paying maintenance. I have had a suspension of my Centrelink payment due to unmatched data. They said I received too much child support which was wrong. The kids are up at the shops spending the BasicsCard on crap. They try to trade their BasicsCard for cash, or buy things they can trade for cash. People also go fishing more now so they don't have to spend money. It's really embarrassing people. Know my way of life and with the BasicsCard I can't get in paying bills and lot of places don't take it. The way they applied it hasn't exactly worked for all people. They got to remember not everyone is dysfunctional.

Indigenous woman, Darwin

6.7 Conclusion

There are mixed views about the BasicsCard amongst those subject to income management. While many valued the BasicsCard, it was also experienced as being stigmatising, unfair and very restrictive by many people. Positive aspects of the BasicsCard include the fact that it provides transaction free banking, that it provides a safe 'kitty', and ensures money is available for food. The card is seen as safer than cash. The ability to set daily limits as a way of managing money or protecting against financial harassment is valued by some. While the BasicsCard can provide some protection against financial harassment, it is not a panacea as people can find their way around the lack of cash.

There is some evidence (from Centrelink staff) that some people go on Voluntary Income Management in order to get a BasicsCard.

While in a technical sense the BasicsCard generally works well, there were some practical problems in its use. These issues are similar to those identified in various reports on income management in the Northern Territory and the NTER more broadly.

The key practical problems are:

- not all merchants in the Northern Territory accept the BasicsCard, which limits shopping choices, particularly with smaller merchants. This was particularly problematic for buying things second hand and from markets
- in remote areas there are telecommunications costs associated with checking the BasicsCard balance, but these are almost certainly less than the costs associated with commercial banks
- checking BasicsCard balances can be difficult, particularly in remote areas as there are fewer options (such as kiosks and Centrelink offices) available
- some clients expressed frustration at the length of time they had to wait to talk to a call centre operative, and the quality of advice received about their BasicsCard and income management more broadly.

Some of those subject to income management reported that it made travelling interstate more difficult or required more planning prior to going, although clearly many people subject to income management do travel. As will be reported in Chapter 10, data from the longitudinal survey reveals that some people find being on income management made it easier to travel interstate.

The assessment of peoples' financial needs appears to play a significant role in how income management and the BasicsCard 'works' for individuals. Where these needs have been accurately assessed and the managed income is appropriately targeted, the frustrations of income management are more easily accepted. However, those who felt that their financial circumstances were not reflected in their allocations found the BasicsCard very challenging.

An important theme emerging from the data was that the free banking aspect of the BasicsCard is popular and partially addresses the long-standing problem of high bank transaction costs in some remote communities, where people have little choice but to use ATMs of banks other than their own, and subsequently pay high usage fees. It will be important to monitor how the announced changes in the availability of fee free ATMs in remote Indigenous communities may impact on this.

7. MATCHED SAVINGS SCHEME PAYMENT, MONEY MANAGEMENT AND FINANCIAL COUNSELLING

7.1 Introduction

In addition to the aspects of NIM that are designed to restrict how people spend their money, there are elements that are designed to improve the ability of people to manage their money. This aspect of NIM involves two strategies: (i) improving budgeting skills via financial education (money management courses and financial counselling); and (ii) encouraging people to develop a savings pattern by providing a Matched Savings Payment. This Chapter focuses on these aspects of NIM. Section 2.4.6 provides more details on the money management and financial counselling services.

The data used in this Chapter is derived from Wave 1 of the Longitudinal Survey of New Income Management; Centrelink administrative data; data provided by contracted money management and financial counsellor services providers; and quantitative and qualitative interviews with Centrelink staff; and qualitative interviews with Money Management service providers.

As outlined in Chapter 2, the voluntary Matched Savings Payment is designed to encourage people on income management to develop a savings pattern and increase their capacity to manage their money. Under this scheme, Centrelink matches savings dollar-for-dollar up to a maximum of \$500. A Matched Savings Payment can be made for savings of less than \$500, but a person can receive a Matched Savings Payment only once.⁶⁴

The Matched Savings Payment is available to people subject to Compulsory Income Management, Child Protection Income Management and Vulnerable Income Management.

To be eligible for the Matched Savings Payment, the person subject to income management has to have completed an approved money management course and have achieved a 'pattern of saving' over a minimum of 13 weeks. People are required to save this money from their non-income managed funds. However, the matched payment becomes part of their income managed funds.

The Matched Savings Payment is modelled on the Saver Plus program, although the context is very different with the payment being linked to income

⁶⁴ Money management and financial counselling services are provided to anyone in the community, including those on income management and those not. Specific additional funding was made available to enable these strategies to be implemented.

management and no financial institution being involved.⁶⁵ Evaluation of the Saver Plus program has found that the program does achieve results with positive effects on savings behaviour being found (Bodsworth, 2011; Russell, Wall & Doan, 2011).

A \$500 savings target is quite considerable for low income households. Analysis of the 2009-10 Household Expenditure Survey (ABS, 2009-10), for individuals whose main source of income was income support, indicates that 9 per cent had a bank balance of zero, 18 per cent a positive bank balance of under \$100, 12 per cent a bank balance of \$100 to \$499 and 61 per cent had a bank balance of \$500 or more. Hence the specific savings target of an additional \$500 is substantially above the total savings of a substantial minority of all income support recipients, including Age Pensioners, across Australia.

7.2 Number of people accessing management and financial counselling services

While money management services have been delivered in the Northern Territory for some time, the number of sites from which they were offered has been low. In 2008 the program was considerably expanded and by February 2011 was being provided in about 180 different locations (FaHCSIA, 2012a).

Money management services include approved money management courses, workshops and individual coaching and support around financial management and literacy; assistance with planning and setting goals to save for more expensive items such as whitegoods; and assisting people to make better use of financial services such as ATMs, internet and telephone banking.

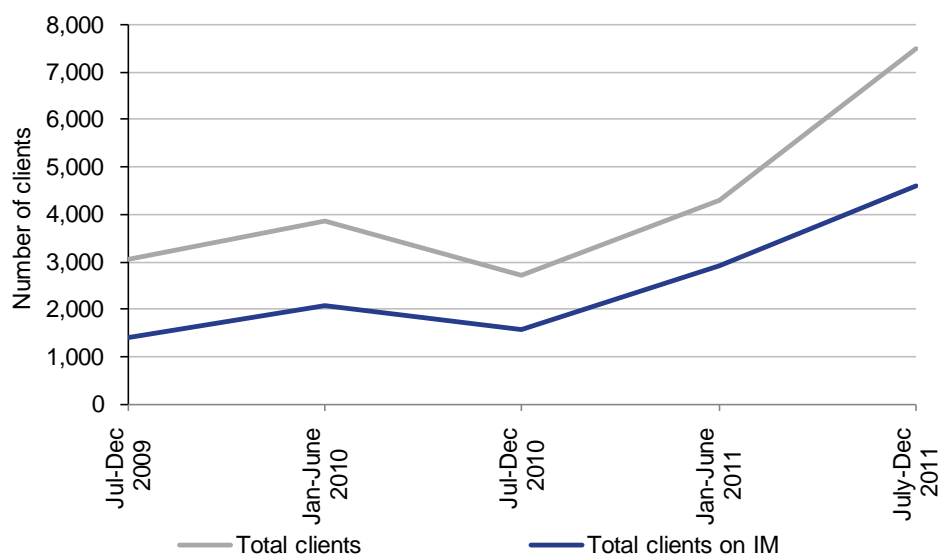
Data on the number of people accessing money management and financial counselling services comes from the contracted money management service providers' reports to FaHCSIA.

Figure 7-1 shows the number of people accessing money management services over the period 2009 to 2011. The numbers in this figure include both people on income management and those not. They also include services only provided on a one-on-one basis. Services are also provided in the form of workshops, and the number of workshops provided is shown in Figure 7-2.

⁶⁵ The Matched Savings Payment component of NIM needs to be understood in the broader context of programs that are designed to encourage the development of a savings habit amongst low income families.

Matched savings programs started in Australia with Saver Plus which is an initiative of the Brotherhood of St Laurence and ANZ, delivered in partnership with Berry Street, The Benevolent Society and The Smith Family and other local community agencies. The Saver Plus program is funded by ANZ and FaHCSIA, with the ANZ providing matched savings for participants (Brotherhood of St. Laurence & ANZ, 2011).

Figure 7-1 Northern Territory, Number of clients provided services by money management service providers, 2009-2011



Notes: Some of the clients who received services provided by money management service providers who are not recorded as being on income management by the service provider may in fact have been on income management. Clients are not required to advise service providers that they are currently on income management in order to receive money management services.

Source: Derived from reports provided by money management services to FaHCSIA.

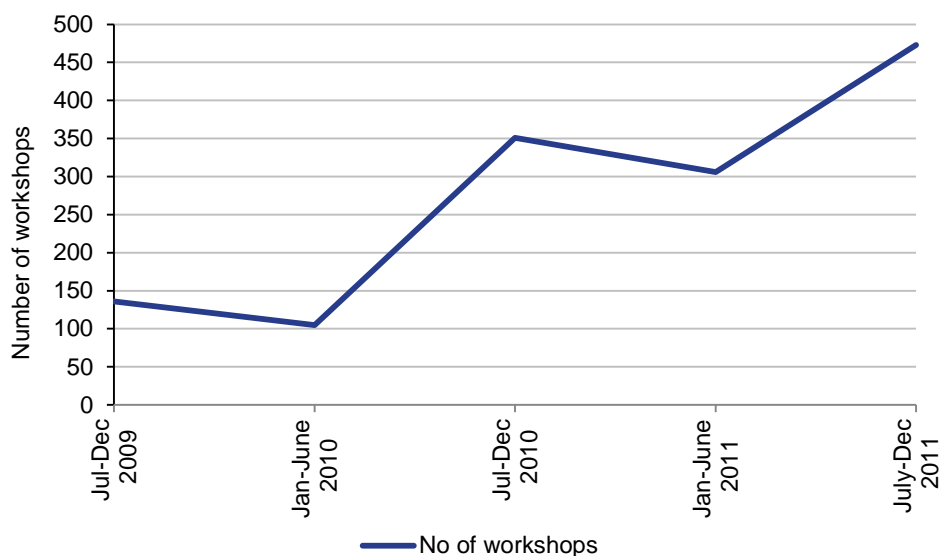
The number of workshops provided by money management services increased from 105 for the period January to June 2010, to 473 for the period July to December 2011.

The total number of people accessing a money management service increased from 3 845 over the period just prior to the transition from NTER IM to NIM (January to June 2010) to 7 499 over the period July to December 2011. Immediately following the transition to NIM, the number of clients that the services reported assisting fell to 2 715 but then rapidly increased.

The vast majority of clients of money management services are Indigenous (98 per cent for the period July to December 2011).

The number of clients identified as being subject to income management who were assisted by money management services increased from 2 089 just prior to the transition to NIM (January to June 2010) to 4 588 over the period July to December 2011. While the majority of those commencing approved money management courses are Indigenous, the proportion who identify as being Indigenous has fallen from 94 per cent over the period July to December 2010, to 79 per cent over the period July to December 2011.

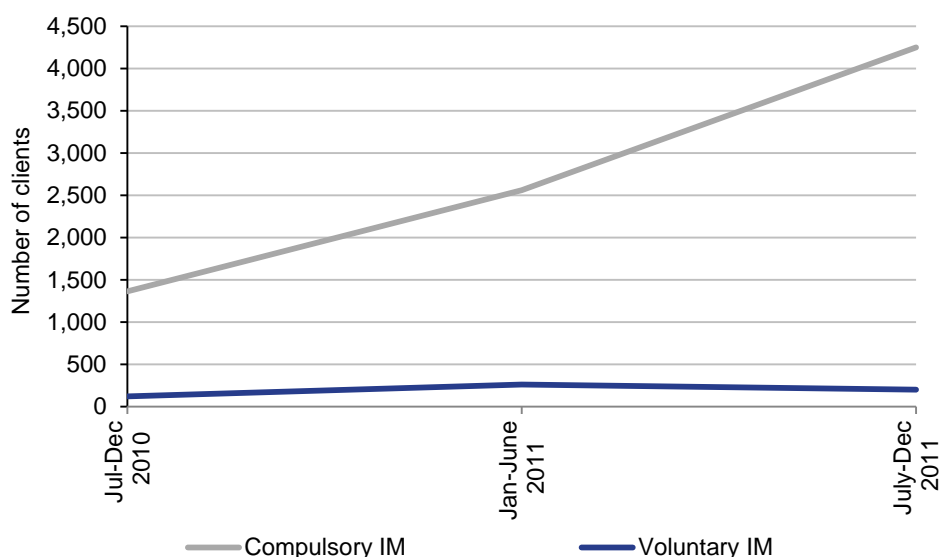
Figure 7-2 Northern Territory, Number of workshops run by money management services, 2009-2011



Source: Derived from reports provided by money management services to FaHCSIA.

Much of the increase in the number of individuals subject to income management accessing money management services from July 2010 comprises people on Compulsory Income Management (Figure 7-3). There is virtually no change in the number of those on Voluntary Income Management accessing these services. This is likely to be an underestimate of the actual number of people assisted because the data in Figure 7-3 does not include people who attended workshops.

Figure 7-3 Numbers assisted by money management service providers by type of income management, 2010-2011



Source: Derived from reports provided by money management services to FaHCSIA.

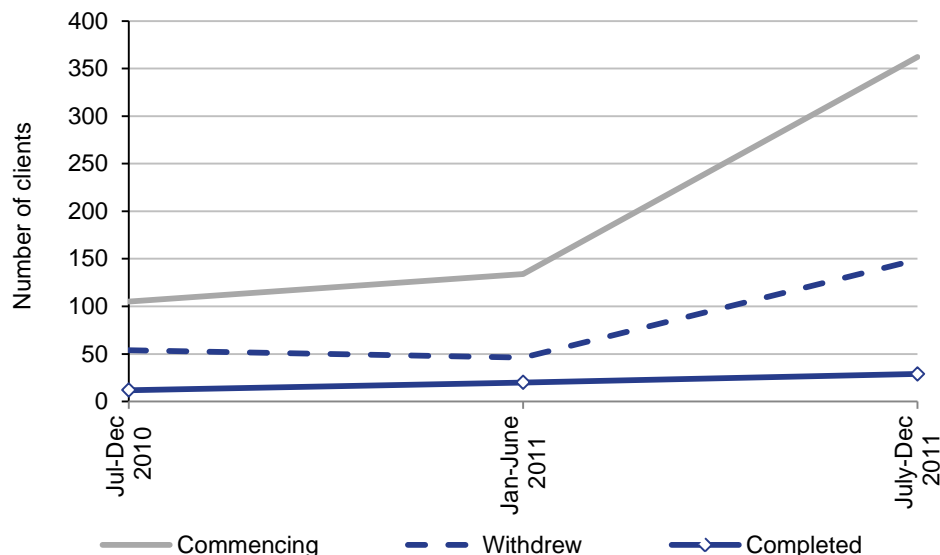
In their reports to FaHCSIA, money management services reported that, over the 6 month period July to December 2011, services were provided to over 4 000 people subject to income management plus nearly 500 workshops with

multiple participants. According to these figures well over a quarter of those subject to income management used these services over the 6 month period. However, these figures are much higher than suggested by the participation rates in these services reported by survey participants in the first wave of the LSNIM or from the surveys of Centrelink staff, and money management and financial counselling service providers. One explanation for the variation is that the data reported by the service providers may count each instance of a service provided to a client as a separate client; some people may gain assistance from more than one service. At this stage the evaluation is not able to resolve this issue.

Money management services provide approved money management courses and workshops. Only a small proportion of money management services which are provided are approved money management courses. Over the period July to December 2011, 362 people commenced an approved money management course. Of these, 149 completed the course, 29 withdrew and 184 were apparently still doing the course in December 2011.

Very few people received a Matched Savings Payment. As at January 2012, just 15 Matched Saving Payments had been made with the average payment being \$490.80.⁶⁶ Most of those who gained the payment were non-Indigenous.

Figure 7-4 Northern Territory, number of people attending approved money management courses, 2010-2011



Source: Derived from reports provided by money management services to FaHCSIA.

Another stream of financial advice is delivered through Commonwealth Financial Counselling. The numbers of people subject to income management receiving such services from this source is smaller than those receiving money management services. In 2010-11, a total of 136 people being income managed received financial counselling services, of whom 114 were on

⁶⁶ All but three of those who obtained a grant received the full \$500 taking between 91 and 207 days to do so. (Data provided by FaHCSIA.)

Compulsory Income Management and 22 were on Voluntary Income Management.

7.3 Perspectives of money management and financial counselling services of those subject to income management

Wave 1 of the LSNIM longitudinal survey included several questions about knowledge of and use of money management and financial counselling services and the Matched Savings Payment.

Of the 809 participants in the Northern Territory, 14 per cent (11 per cent of Indigenous and 21 per cent of non-Indigenous participants) reported having spoken to a money management or financial counselling service in the 12 months prior to the interview.⁶⁷

Table 7-1 LSNIM Wave 1, reasons for going to a money management or financial counselling service

	Indigenous	Non-Indigenous	Total
	- % - (a)		
To do the approved money management course	16	11	14
To do Money-minded or Moneybusiness course	6	2	4
Centrelink told me to	26	34	29
Because another organisation referred me	7	5	6
Had debts	4	9	6
Had a big bill	3	5	4
Run out of money	6	7	6
Help with a budget	10	9	10
Help save money	18	5	13
Other reasons	3	16	8
Prefer not to say	22	14	19
Number of survey participants (persons)	68	44	112

Notes:

(a) Survey participants could give multiple reasons, columns do not add to 100.

Source: LSNIM, Wave 1.

A higher proportion of those on Compulsory Income Management (Indigenous and non-Indigenous combined) than those on Voluntary Income Management reported having seen a money management or financial counselling service (16 per cent compared with 7 per cent).

The most common reason given for going to see a money management or financial counselling service was 'Centrelink told me to' (29 per cent) followed by 'to do the approved money management course' (14 per cent), 'help save money' (13 per cent), and then a range of reasons which related to the actual management of money (Table 7-1).

⁶⁷ 'Not sure' responses are classified as not having spoken to this type of service. The proportion of survey participants saying that they were not sure whether they had seen this type of service was 4 per cent.

For Indigenous survey participants, the most common ways they were assisted (Table 7-2) was through developing financial management skills (60 per cent), followed by dealing with Centrelink (49 per cent), and accessing the approved money management course (41 per cent).

For non-Indigenous survey participants, the most common ways they were assisted was through: financial management skills (50 per cent); accessing the approved money management course (34 per cent); and dealing with Centrelink (32 per cent).

Table 7-2 LSNIM Wave 1, ways in which the money management or financial counselling service assisted

	Indigenous	Non-Indigenous	Total
	- % - (a)		
Accessing Approved Money Management Course	41	34	38
Dealing with Centrelink	49	32	42
Financial management skills	60	50	56
Referred to another organisation	3	9	5

Notes:

(a) Survey participants could give multiple reasons, columns do not add to 100. Don't know responses are coded as did not assist with the particular area. Financial management skills include managing debts, big bills, budgeting and savings.

Source: LSNIM, Wave 1.

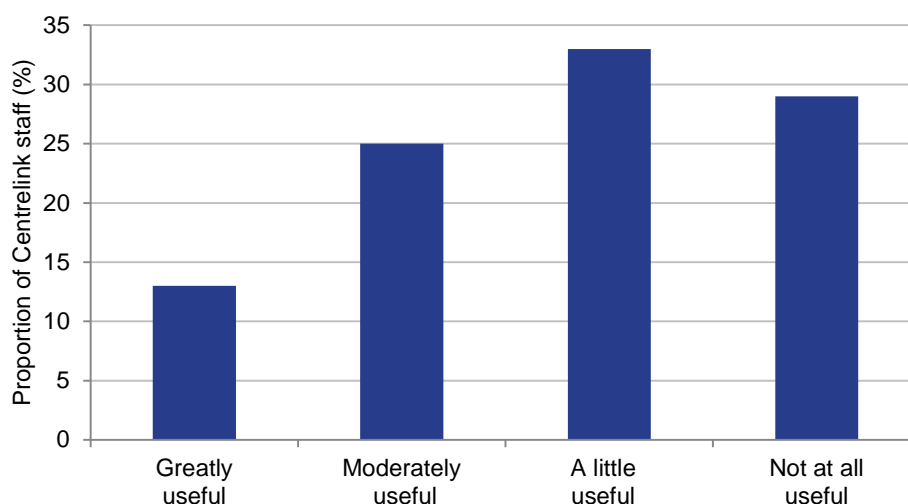
About one-in-five survey participants had heard of Matched Savings Payments. A higher proportion of non-Indigenous survey participants had heard of the Payments (35 per cent) than the Indigenous survey participants (13 per cent). The proportion of survey participants who said that they had attended an approved money management course was very low (3 per cent), but was higher for non-Indigenous participants than for Indigenous participants (6 per cent compared with 1 per cent).

7.4 Centrelink staff views of money management services and the Matched Savings Payment

The survey of 128 Centrelink staff included several questions related to the money management and financial counselling services. The two major questions were: how useful they thought referring clients to money management or financial counselling services was; and what barriers there were to their clients who were subject to IM receiving money management and financial counselling services.

Thirteen per cent of the Centrelink staff interviewed said that referring their clients to money management and financial counselling services was greatly useful. One quarter said it was moderately useful and a further 33 per cent said it was only a little useful, with the remaining 29 per cent considering that such referrals were not at all useful (Figure 7-5).

Figure 7-5 Centrelink staff, How useful is referring clients/customers to money management and financial counselling services?



Notes: Six per cent of participants felt that they were not able to answer this question. These participants are excluded from the figure.

Source: Centrelink Staff Survey 2011.

In terms of whether the Centrelink staff thought that they were able to refer clients to suitable services to improve their money management skills, the majority either strongly agreed or mostly agreed (18 per cent and 47 per cent respectively). It is not entirely clear why a higher proportion of Centrelink staff thought that the services were suitable than those who thought that the services were useful to clients. It is likely that 'suitable' is interpreted to cover a wider range of factors such as how far people had to travel to access the service and its cultural appropriateness, whereas 'useful' relates more to whether they thought that the services assisted those subject to income management.

The second major question that was asked in the survey of Centrelink staff with regard to money management was the extent to which they agreed or disagreed with a series of statements about potential barriers to people being able to access money management and financial counselling services (Table 7-3). Over three-quarters of Centrelink staff agreed that the following were barriers to access:

- a lack of understanding by clients/customers of the purpose of financial counselling and money management services – 85 per cent agreeing or strongly agreeing
- language barriers for some clients/customers – 84 per cent agreeing or strongly agreeing
- services not pitched to the appropriate literacy and numeracy levels of clients – 79 per cent agreeing or strongly agreeing
- services not available – 78 per cent agreeing or strongly agreeing
- families cannot get to services – 75 per cent agreeing or strongly agreeing.

Other barriers to accessing these services that had an over 60 per cent agreement rate were that referral processes do not work well (63 per cent agreeing or strongly agreeing), and a lack of understanding by referral agencies of the purpose and services of money management services (60 per cent agreeing or strongly agreeing).

The other potential barriers identified by Centrelink staff in the survey, with agreement levels of 54 per cent and 55 per cent respectively, were that the services provided were not specifically tailored to families on very low incomes, or were not culturally appropriate.

It is important to note that there was a substantial difference in the proportion of Centrelink staff responding 'can't say/don't know' across the various statements of potential barriers. This probably reflects the extent to which Centrelink staff are familiar with what money management and financial counselling services provide. The highest proportion of 'can't say/don't know' responses were to the statements 'services are not culturally appropriate' (32 per cent), 'services provided are not specifically tailored to families on very low incomes' (30 per cent), and 'services are not pitched to the appropriate literacy and numeracy levels of clients' (25 per cent).

To the extent that Centrelink staff believe they do not have knowledge about the appropriateness of the money management and financial counselling services for different groups of clients, or the purpose or services provided, this is likely to reduce the referral rate, or the effectiveness of the referrals, of people on income management to money management or financial counselling services.

Table 7-3 Centrelink staff views of the barriers to clients receiving money management and financial counselling services, 2011

	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Total
	- % -				
A lack of understanding by clients of the purpose of financial counselling and money management services	29.8	55.4	13.2	1.7	100.0
Services are not available	47.1	31.1	18.5	3.4	100.0
Services provided are not specifically tailored to families on very low incomes	23.6	30.3	37.1	9.0	100.0
Families cannot get to services	35.3	39.7	22.4	2.6	100.0
Referral processes do not work well	36.7	26.6	32.1	4.6	100.0
Services are not culturally appropriate	27.6	27.6	36.8	8.1	100.0
There are language barriers for some clients	44.4	40.0	13.0	2.6	100.0
Services are not pitched to the appropriate literacy and numeracy levels of clients	42.7	36.5	17.7	3.1	100.0

Notes: 128 survey participants. The proportion of 'can't say/don't know' responses ranged from 5 per cent to 32 per cent for these items. These responses are excluded from this table. Items where there were 20 per cent or more of 'can't say/don't know' responses included 'services are not pitched to the appropriate literacy and numeracy levels of clients', 'services provided are not specifically tailored to families on very low incomes' and 'services are not culturally appropriate'.

Source: Quantitative survey of NT Centrelink Staff 2011.

In addition to the survey of Centrelink staff, 39 staff from Centrelink participated in qualitative interviews. These interviews included some discussion of the referral processes to money management services, the extent to which

Centrelink clients were using these services, and possible reasons why they perceived the uptake of these services and the matched savings payment was relatively low.

Overall, most Centrelink staff involved in directly providing services to people on income management reported that they frequently made referrals to services but that they did not know whether clients took up these referrals. This was particularly hard to ascertain given that the courses were not compulsory. However, most believed that the uptake is very low.

Money management is a bit of an issue. Staff are saying they are getting fed up at making referrals. There is a lack of providers on the ground talking to customers when the customer is ready. It works best when the money management provider is there when Centrelink is there. Referrals need to be almost instantaneous, or they won't attend.

Centrelink Manager

There were also some concerns that it was difficult for clients to access services when the services had large distances to cover or where they may not be visiting their locations for some time.

One suggestion provided by respondents to resolve this issue was to co-locate Centrelink, money management and financial counselling services, either through Centrelink providing these services or having a contracted provider located in the same offices.

7.5 Money management and financial counselling staff views

Money management and financial counselling service staff who took part in the interviews (18 money management and financial counselling workers⁶⁸) identified four key issues in relation to the implementation of the approved money management courses. The first was that the courses they were asked to deliver to clients were not relevant to the lived experience of most of their clients. Many clients found them difficult to understand and did not address the core needs of their client groups. A specific criticism that was voiced was that the courses were seen as being poorly pitched: at too high a level for people living in remote areas; and at too low a level for some clients in urban areas.

It's really hard to hit the mark in terms of the understanding. There's the acquiescent kind of learning as well where it's like do you understand what I'm talking about? Yes I do, yes I do, and then you find out oh what the hell was he talking about? There are a few things that inherently are a bit wrong about the workshop. I shouldn't say wrong, but it either over hits the target or under hits it. There's a lot of assumed knowledge there, just within the conversation itself.

Money management provider

⁶⁸ A number of these people had worked in both money management and financial counselling services. As a result 11 spoke about money management services only, 2 spoke about financial counselling only and 5 spoke about their experiences of both financial counselling and money management services. In the case studies a further 3 worked in financial counselling services and 6 for money management services.

Reflecting this type of perspective, staff interviewed in these services expressed frustration at not being able to provide information they saw as being relevant and useful to their clients. Those participating in interviews often had ideas about how they would like to improve the courses and a number also showed alternative courses that they had developed and would like to use with their clients. It was suggested by the participating staff that a consultative approach where local service providers worked with FaHCSIA to develop approved courses that meet the needs of local people would improve outcomes for many of their clients.

People need simple skills, like living skills.

Money management provider

I would love to be able to get a group of people together in a store and be able to say how can we make money last.

Money management provider

I guess if it was to be done over again, I'd support a community development model where you go in there and say these are all the things that we can do but what is it that you think will be most [appropriate]

Money management provider

I mean we're talking about people that are on welfare. So their payments are normally promised every fortnight to rent, living and so forth...that was one of the things that shocked me the most about this budgeting. The assumption that you're probably struggling because you just don't know how to budget rather than it's inadequate to live off.

Financial counsellor

The mode of delivery was also seen as difficult for people. The course was seen as taking too much time. The sessions were seen as being too long and too wordy for many of their clients.

The course needs to be broken into smaller chunks. Three times 3 hours is too hard for people to digest.

Money management provider

Money management workers across the participating services also noted that providing approved money management courses was a relatively small part of their actual work. For example, one service that worked with remote communities reported that workshops and courses accounted for only 5 to 10 per cent of their work. The rest of their time was spent on advocacy and support, such as assisting people with applying for a photo ID,⁶⁹ assisting people to access bank accounts, and dealing with credit issues. Another service made a similar response:

There are modules within those workshops that people find interesting and are like 'that's what I want to know about'. So it'll be one-to-one

⁶⁹ At the time of interview new requirements around having photo ID in the Northern Territory were coming into force and many Indigenous clients were having to apply for a new form of ID. Money management providers reported that this had led to a strong demand for assistance from their clients in making these applications.

budgeting or one-on-one Internet banking, phone banking. Or it could be just receiving a letter from a bank that's not understood or a bill from Telstra. So real one-on-one stuff.

So we're trying to make FaHCSIA aware of it and we indicate that through our reports about the things that we do apart from the workshops. So the workshops would honestly take up about 10 per cent of the time that we do.

Money management provider

This is consistent with the quantitative data provided by services to FaHCSIA which shows that while many of the money management and financial counselling service clients are on a form of income management, few complete approved money management courses.

The third issue for money management/financial counselling services was that they reported not receiving referrals from Centrelink – something that they had expected to happen. This was less of an issue for services operating in communities previously prescribed under the NTER, as they reported that most of these clients are on some form of income management anyway.

It's something we're working on. In fact we met with Centrelink today. There's a systemic issue or problem with that in that the contract from FaHCSIA says that the referrals - majority of referrals - will come from Centrelink, but there's no mechanism in place that referrals come from Centrelink to us. So they'll have - it's quite well formatted on their internal system but a client that's been referred for money management, unless that client then approaches us separate to that, then we never hear about it.

Money management provider

However it was a concern for services that were in areas where income management was new and there were also some concerns in the beginning that clients didn't really understand what they were being referred to.

When the income management first came in, there was a lot of - nobody fully understood what was going on. Like either the clients or we got the impression that a lot of Centrelink workers didn't know what was going on. So then people weren't explaining it properly to the clients, the clients were coming in frustrated, going why is this happening, sort of thing.

Money management provider

In all interviews, staff from money management services reported that there was goodwill between their services and Centrelink, but this had not led to actual referrals. Given that many of the Centrelink staff reported offering their clients' referrals to these services, this difference in perception may reflect the barriers to people acting upon the referrals (which are not compulsory). The new 'referral portal' that was being developed by Centrelink at the time of the interviews was seen as a potentially positive development that would allow services to follow up with clients who had expressed an interest.

The final issue related to the Matched Savings Payment. Both financial counsellors and money management providers expressed concerns about the

difficulty for people on very low incomes being able to save money as part of the scheme.

Another aspect of the matched payments scheme noted by money management workers and financial counsellors was the frustration among their clients that the incentive payment was subject to income management, even though the money they saved was not from their income management funds.

I think the government tried to work a bit of a swiftie. If you save \$500 we'll give you \$500 but we won't tell you it's going to go on your BasicsCard. So there was a lot of - I heard a lot back last year with people like yeah, I want to be doing that Matched Savings. I want to be getting that \$500. Then you said oh well this - and they go I'm out of here. See you later. So again it's the government being the government and the mob out there they know what the governments like. It's kind of like the mouth is moving but hmmm, what's really going on? It all just sounds that little bit too good to be true. So it was a suck-in and the mob picked up on that real quick. People sit down there in Canberra and go oh, why aren't the children playing [at school] and why isn't this happening? It's like don't you think that people in communities might be making really quite peaceful protest about the shit that's not happening in communities?

Money management provider

7.6 Summary

The money management and financial counselling services and the Matched Savings Payment are designed to improve the ability of people to manage their money and to develop a savings pattern. These aspects of NIM are designed to increase people's ability to better manage their own affairs.

The FaHCSIA program logic for NIM identifies that money management and financial counselling, and the savings payment components of NIM are expected to contribute to people increasing their financial literacy and their ability to develop basic household budgeting practices, increasing self-reliance, and ultimately making income management redundant.⁷⁰ According to the program logic these aspects of NIM are central to its ability to achieve positive outcomes for financial skills and self-reliance.

It is somewhat uncertain as to just how many people are benefitting from money management services. The administrative data presented in this chapter suggests that money management services are providing a substantial proportion of those subject to income management with a range of services. On the other hand, the results of the first wave of the LSNIM suggest a much smaller fraction utilise these services. Either way, very few of the services provided are approved money management courses. Completion of an approved money management course is required in order to be eligible for a Matched Savings Payment. Over the period July to December 2011 only 362 people commenced an approved money management course and 149 completed a course. The 362 people commencing an approved money

⁷⁰ SPRC & AIFS, 2010, Appendix C.

management course is 7.9 per cent of those subject to income management who accessed money management services.

While the numbers completing approved money management courses is low, it has increased from just 134 over the period January to June 2011. Very few (15) Matched Savings Payments have been made.

Virtually all of the clients of the money management and financial counselling services were Indigenous (98 per cent). While Indigenous people were also a majority of those doing approved money management courses were Indigenous the proportion was lower, 79 per cent.

While there have been few people completing approved money management courses or receiving payments for having demonstrated a pattern of savings, the money management services are providing assistance to a substantial proportion of those subject to income management. The type of assistance provided is varied. There was clearly a significant unmet need for this type of service in the Northern Territory. Evaluating the effectiveness of the broader financial counselling and financial education provided by these services is beyond the scope of this evaluation.

However, the majority of Centrelink staff interviewed were of the view that referring clients to money management and financial counselling services was of little or no use at all. The key barriers to people accessing these services was a lack of understanding of the purpose of financial counselling; services not being available or families not being able to get to the services; and services not being appropriate for reasons such as language barriers, or the services being pitched at the wrong literacy and numeracy levels of clients.

In general, people subject to income management reported a low level of knowledge of the Matched Savings Payment.

Money management and financial counselling service staff also indicated that the courses they were asked to deliver were generally not relevant to most of their clients, and that the Matched Savings Payment was problematic.

The lack of success of the Matched Savings Payment would appear to be the result of a number of factors:

- low numbers completing approved money management courses due to difficulties with referral process; the level of course material (too high level for many in remote areas and too low level for some in cities); and as a result of the course material being pitched to Indigenous people and not seen as accessible for non-Indigenous, including non-English speaking migrants
- the difficulty in saving whilst living on a low income and having to save out of discretionary funds (non-income managed money)
- the need to have another bank account in which to make savings
- subjecting Matched Savings Payments to income management is seen by many as insulting.

In summary, the picture which emerged from our examination of this area is that despite this being the one active strategy within the scope of the income

management initiative which is directed at building capacity there is a low level of awareness of the program amongst participants, and considerable concerns amongst both Centrelink staff and many financial counselling and money management staff about the program that they were supposed to be referring people to and delivering.

This in turn is reflected, despite some recent ramping up, in very low levels of participation in courses, and just a handful of people receiving a matching grant.

It is important to note that this aspect of NIM arises from financial education and savings programs which have been successfully run both in Australia and internationally (Lister, 2006; Shreiner & Sherraden, 2007). That is while a matched savings program can be an effective program instrument, various aspects of the design of the specific Matched Savings Payment operating in the Northern Territory have meant that only very small numbers have been successful in receiving a matched savings payment.

8. EXEMPTIONS

As detailed in Chapter 2, the new arrangements for income management include provision for the granting of exemptions from income management for individuals who meet a set of criteria largely associated with their demonstrating that they are managing their finances and other activities in a responsible manner. This is in contrast to the NTER IM arrangements, where exemptions were limited largely to those who were in declared areas but not part of designated communities, and a small number of discretionary exemptions.

As previously noted, one aspect of the exemption process, that of the Financial Vulnerability Exemption test, was the subject of a report by the Ombudsman in June 2012 (along with decision making relating to income management for Vulnerable Welfare Payment Recipients) (Commonwealth Ombudsman, 2012a). This report included a number of adverse findings, although the Ombudsman noted: *'Since we first outlined our preliminary concerns to the agencies in September 2011, they have implemented a series of changes aimed at improving FV [Financial Vulnerability] and VWPR [Vulnerable Welfare Payment Recipient] decisions and decision-making processes'* (Commonwealth Ombudsman, 2012a, p. 45). Any such changes would post-date the analysis provided in this chapter.

8.1 Operation of exemptions

This chapter is concerned both with the provision of exemptions and with appeals. Although these are different mechanisms, they both provide an avenue by which people can avoid being income managed. Where an exemption is granted, as discussed in Section 2.4.1 it is usually for a 12 month period.

8.1.1 Exemption criteria

The grounds for granting an exemption under the Disengaged Youth, Long-Term Welfare Payment Recipients measures are summarised in Figure 8-1.

Essentially these provisions only permit an exemption for those without children if they are in regular paid employment or studying full-time. For those with children, in addition to these grounds, evidence of good parenting practice provides a pathway.

Figure 8-1 Grounds for exemption from income management**People with Children**

'If you have school-aged children in your care you will need to show that each child is enrolled in and regularly attending school. Children cannot have more than five unexplained absences from school in each of the last two terms.

If your children are not enrolled in school, you must show that they are being home-schooled or provide evidence that they are exempt from attending school regularly.

If you have children under school age in your care you have to show that your children are participating in suitable health and social activities. Talk to Centrelink about what evidence you may need to provide as this will be different for everyone.

Centrelink will also look at your Centrelink record to see if you have been financially vulnerable in the last 12 months. Financially vulnerable means that you have had trouble managing your money or paying your bills. If you are assessed as being financially vulnerable you cannot get an exemption from income management.'

People without children

'If you do not have children in your care, to get an exemption from income management, you must:

- be a full-time student
- be an apprentice, or
- have worked 15 hours or more per week, at or above the minimum wage, for at least 26 of the last 52 weeks.'

Source: Centrelink Fact Sheet Income Management exemptions (Centrelink, 2012a).

People dissatisfied with the assessment of their claim for exemption, or in the case of the Vulnerable Welfare Payment Recipients measure, the decision to place them on income management,⁷¹ a series of appeal mechanisms exist.⁷² These include:

- a right to a review of the decision by a Centrelink Authorised Review Officer
- a formal right of appeal to the Social Security Appeals Tribunal
- the opportunity to challenge a decision of the Social Security Appeals Tribunal in the Administrative Appeals Tribunal or Federal Court.

In the case of those subject to Child Protection Income Management, exemptions do not exist per se; however, a person can appeal the imposition of income management by making application to the child protection authority within the Northern Territory Department of Children and Families with regard to the decision by this agency to refer them for income management.

⁷¹ Technically this also applies to cases under the Disengaged Youth, Long-Term Welfare Payment Recipients measures where the person considers that the criteria have been wrongly interpreted in the decision to place them on income management.

⁷² These review and appeal provisions apply more generally to all decisions undertaken under IM and across the administration of social security.

There are no exemptions for people on Voluntary Income Management as they have chosen⁷³ to go onto the program.

While the financial vulnerability test can be seen as being directly linked to actual management of income, the criteria relating to children and employment reflect the wider objective of 'encouraging socially responsible behaviour'. In this way access to exemptions requires much more than a person being able to demonstrate their ability to manage their finances in a responsible manner. The program can thus be seen as effectively creating an imposition on people where they fail to behave in desired ways.

8.1.2 Assessment process

The assessment of exemptions is undertaken by a specialist team operating within the Darwin office of Centrelink. One objective of this was to ensure consistency of approach in the assessment of claims. Centrelink staff interviewed for the evaluation had mixed views about the benefits or otherwise of a single centrally located team to assess exemptions. On the one hand, the centralisation of what was seen as complex decision making relieving local Centrelink staff of the responsibility of these assessments. However, it was acknowledged that the centralisation meant that people applying for exemptions were largely reliant on the use of the telephone, rather than face-to-face contact, to make their application for an exemption.

In the qualitative interviews, Centrelink staff also reported that a number of difficulties were encountered in the initial implementation of the exemptions policies. In large part these related to difficulties experienced by those subject to IM obtaining the appropriate documentary evidence to substantiate their claims for an exemption. In particular it was initially expected that regular school reports provided to parents would contain sufficient information of children's attendance at school, but this proved not to be the case. As the policy now operates, Centrelink obtains attendance data directly from the Northern Territory Department of Education and Training (DET) for those students who attend DET schools. Where this information is used in the determination of exemption claims, these reports are copied to applicants who, in the case of the information being used to deny an application, then have the opportunity to approach the Department to seek corrections to records if this is appropriate.

The type of issue where such corrections might be sought are cases where a child may have been late in arriving at school one day, and because of this, they may have missed 'roll call' and have been marked as being absent for the whole day.

In the case of children who are attending non-DET schools parents still need to obtain attendance data directly from the school.

A further issue has arisen with the provision of information on child health activities. Again in consultations it has been indicated that some health clinics

⁷³ As discussed in Chapter 10, from the LSNIM data it is not entirely clear how many people on the voluntary measure that they actually chose to go onto the program. Similarly it would appear that some people the choice of going onto the voluntary mechanism has been in the context of the alternative of being placed on Vulnerable Income Management, an alternative which would also involve themm forgoing the additional financial benefit of Voluntary Income Management.

have been less than cooperative in providing the documentation a parent may require to make an application for exemption. This may have been in part simply an issue of these clinics considering this as an additional administrative burden (which they may view as not being a central element of their responsibility as health care providers) or considered a low priority. However, in at least one case it would appear that the health clinic was concerned not to be seen as part of the machinery involved in the implementation of income management.

As indicated in the exemption criteria, after the person makes an application for exemption, the process of assessing this essentially involves two steps. The first is whether or not a person meets the specific criteria under which they are seeking exemption – that is, demonstrated responsible parenting or participation in education or employment. The second, which is applied to those with dependent children,⁷⁴ is an assessment of their financial stability.

This test involves the person being able to show that they have had no indications of financial vulnerability during the 12 months prior to their application. The principles underlying this test are that the person:

- has been applying appropriate resources to meet priority needs
- has had stable payment patterns and budgeting practices, and is meeting priority needs from their income support and family assistance payments
- has had control over their money and was not subject to financial exploitation
- did not regularly require urgent funds to pay for foreseeable costs, or did not frequently change their income support pay dates.

Further details of the way in which the test operates are at Appendix F. In implementing the test Centrelink draws upon an array of information derived from the administration of income management, including indicators such as the number of declined transactions on the person's BasicsCard; the number of replacement cards they have sought; and whether they had sought early or urgent payments.

Where a young person receives Youth Allowance as a full-time student they are subject to automatic exemptions through the Centrelink administrative systems.

People who have sought an exemption remain eligible to participate in Voluntary Income Management, and to benefit from the additional payment this program provides.⁷⁵

⁷⁴ As will be seen later, this covers a high proportion of people who seek an exemption.

⁷⁵ Such a person remains potentially subject to the vulnerable and child protection income management measures. In the case of Vulnerable Welfare Payment Recipient Income Management, while it is likely that any such vulnerability would have been picked up at the initial assessment point and they would fail the financial stability test, it is possible that some later event may give rise to a Centrelink social worker assessing that a person requires placement on this measure.

8.1.3 Perceptions of the operations of exemptions

The attitudes of those subject to income management and of various intermediaries are considered in more detail in Chapters 10 and 11. Some of the key features that emerge from this include generally positive feedback from Centrelink staff about the exemption process. Surveyed Centrelink staff mostly agreed that there were adequate opportunities for people to exempt themselves from income management where they wished to, and that people were aware of the appeal processes. In the survey, as discussed in Chapter 9, 54 per cent of staff mostly agreed with the statement that there were adequate opportunities for exemption, 26 per cent strongly agreed, and 19 per cent mostly disagreed. A range of views were expressed in the qualitative interviews. The introduction of the exemption policy relative to the way in which the NTER originally operated was acknowledged.

Exemptions are positive change as they allow people who fit criteria to get off income management. Especially good for parents of young children.

Centrelink Customer Service Adviser

However the processes and criteria were often seen as being difficult to navigate.

That once you tell them, if you cannot prove this and be very confident in what you're saying and give them all the information, let them know - pardon me - if you don't have this, this, this and this, you won't get the exemption. So therefore, do you think you can do that? If they're like no, well then it's compulsory, let's put the exemption away now, you're not eligible for it, let's stick to compulsory because that's what category you fall in.

Centrelink Customer Service Adviser

I think exemptions are quite difficult to get. I've heard some conversations here about parents whose kids are at school and how difficult it is to get that proof and sometimes the absenteeism is recorded incorrectly. So even though they've provided a note or a medical certificate, it's recorded as unauthorised absence or whatever the schools call it, so that makes it harder for our customers to get exemptions.

Centrelink Customer Service Adviser

Well, you explain to them that you can get an exemption and that if they want one they need to do a - what's that course called, the money management course and that sort of thing.⁷⁶ They just don't go ahead with it normally: "Oh, I'll think about it". So they tend to just go with it [remaining on IM] because it seems like it's all too hard not to, I guess.

Centrelink Customer Service Adviser

In the first wave of the LSNIM survey of people being income managed a substantial group indicated that they had or were trying to get off IM. The main

⁷⁶ It should be noted that attendance at a money management course is a requirement for the Matched Savings Payment and not for an exemption. It may be that the person speaking was in a short hand manner indicating that such attendance would be viewed favourably in terms of the assessment of their financial stability.

motivations expressed by these people were a desire to control their own money and to exercise a freedom of choice in their spending.

This survey also provided a range of views on the exemption process. For some it was positive.

Centrelink looked at my record and could see I managed my money and sent my kids to play group every day.

I was given the exemption without any problem

However, many felt that they were given little choice or information about exemptions.

Told me once I'm on I'm on, I have no chance

They said I couldn't 'cause everyone has to be on it

Don't really understand why they said no

They told me I had to leave it like that so I could have income management for food

For those applying for exemptions the process was frequently seen as onerous and complex.

I had to show bank statements, letters stating my children's health records, and they wanted me to do a course with Red Cross. I feel this is so wrong. I am educated and have never needed help managing my money.

I was told to speak to a social worker, which I was not happy about. I refuse to be treated like I am inadequate and unable to control my own life.

Had to dispute my child was going to school. They said she wasn't, I had to collect all the paperwork and it was hard.

It was too much going back and forth from the school and going to buses again. It's a day trip going back and forth to get the paper they want.

Had to get to a Medicare office to get immunisation records which was too far.

For the youngest son they wanted doctor's report to get off it, and I had to go to Katherine so I thought stuff it.

Responses to open ended questions in the LSNIM

8.2 Data on exemptions

For this evaluation the main source of data are the 'quarterly' snapshots of people currently or previously on income management, and complementary datasets on all income support recipients.⁷⁷ While these contain considerable information on the individuals they also have some limitations, in particular in terms of the more detailed pattern of application for exemptions and the

⁷⁷ See Appendix E for more details of the data used for this analysis. In the table sources these datasets are referenced as "Centrelink IM & IS/FTB datasets".

outcomes of these. This arises because the gaps between the snapshots are too great to track the process and factors associated with them. Hence it is not possible, at this stage, to consider issues such as the time it took for exemptions to be determined or the actual duration for which people were on income support at the time of application. Similarly, between the snapshots people may experience several changes in circumstances which are simply unobserved in the available data.

In addition, as the dataset contains all details of people who have ever been on income management, there is a need to refine a meaningful population base with which to analyse the data. This step is necessary as the data contains details on exemptions of people who have been subject to income management under the NTER, and the records of those who, while having previously been granted an exemption, may not necessarily be currently within scope of income management. Further a number of 'exemption' codes are more of the nature of historical and technical records, rather than recording current status.

Table 8-1 illustrates the approach adopted.

The initial focus was to establish the population to be considered. This was determined to include:

- all persons currently on income management (of all types),⁷⁸ and
- those with an exemption who are on income support payments which are potentially subject to income management.

This provides an approximation of the extent to which the population, which may currently be subject to income management, is impacted by the exemption policy. It is recognised that this approach has some limitations as it has not been possible to replicate the duration-specific aspects of the income management provisions.

The limitation of exclusions in this analysis to people in these groups has been undertaken to allow the population incidence of exemptions to be examined. While these people represent only a portion of those with an exemption, to include these against the base population of those currently subject to income management would significantly bias results. Section 8.2.1 briefly considers the circumstances of those with exemptions who are not on payments currently within scope of income management. Similarly only rejected applications from those currently on income management have been considered.

8.2.1 Classification of exemptions

Table 8-1 reports the grouping of exemption codes used in this analysis. These include: exemptions; rejection of applications; withdrawal of applications, and several codes which are considered to be 'out of scope' in this analysis, or concern administrative processes.

⁷⁸ In more detailed analysis of applications for exemption and related matters, the population is restricted to those on Compulsory Income Management. In addition, some analysis is undertaken for specific subgroups only, such as those with children.

Table 8-1 Detailed exemption codes of current potentially targeted income support recipients, October 2011

Code	Reason	Persons on IM:		Others on potentially included Income Support (b)	Total
		Compulsory (a)	Voluntary		
Exempt					
CPA	Participating in approved activity	0	2	35	
DEP	Child participating in approved activity	0	4	146	
RPE	In regular paid employment	0	1	42	
HEM	Health/Engagement activity met	0	7	1311	
SPL	Specified class exemption	0	0	2	
Total		0	14	1 536	1 550
Application rejected					
CNA	Not participating in approved activity	47	0		
NEP	No evidence provided	415	3		
NFS	Not financially stable	136	1		
NFT	Not full-time student	7	1		
NRP	Not in regular paid employment	60	0		
UAE	Unacceptable Evidence	136	0		
NSP	Does not meet specified class exemption	1	0		
HEN	Health and engagement activity not met	350	1		
Total		1 152	6		1 158
Application for exemption withdrawn					
WCR	Withdrawn by request	77			77
Out of Scope					
NLE	No longer eligible	6	0	10	
AFT	Full-time student (auto)	0	1	681	
APP	New Apprentice (auto)	0	0	6	
FTS	Full-time student	0	0	21	
Total		6	1	718	725
Administrative codes					
WAE	Exemption process started in error	11	1	7	
AER	Administrative error	0	0	1	
Total		11	1	8	745
Total all codes		1 246	22	2 262	3 530

Notes:

(a) Includes Compulsory Income Management under both the Disengaged Youth and Long-term Welfare Payment Recipients Measures, Child Protection and Vulnerable persons measures.

(b) Persons on Youth Allowance, Newstart Allowance, Parenting Payment and Special Benefit.

Source: Derived from Centrelink income management & IS/FTB datasets.

Exemptions

Five exemption codes have been classified as representing an actual exemption from income management. These are:

- participating in approved activity
- having children participating in an approved activity

- being in regular paid employment
- having the health and/or engagement activity of children met
- having received a 'Specified class exemption'.

Currently two 'specified class exemptions' exist. The first is for Special Benefit recipients who do not have an activity tested Special Benefit Payment, are aged 16 years or older, and are not the principal carer of a child under 6 years of age. The second is for people who commenced participation in Community Development Employment Projects prior to 1 July 2009 and would otherwise have been subject to the Disengaged Youth and Long-term Welfare Payment Recipients Measures (Australian Government, 2012, Section 11.1.14.80).

Most exemptions (85 per cent) have been granted under the 'Health/Engagement activity met' code. As discussed below there seems to be some change in the practice of coding over time – but this code, along with the participation in approved activity and child participation in approved activity, all represent cases of responsible parenting and account for 97 per cent of exemptions.

One group excluded from this study of exemptions are full-time students. For the reasons discussed below these have been treated as being out of scope for the purpose of this analysis.

As shown in the table a small proportion (0.9 per cent) of people with current exemptions, despite having gained an exemption from compulsory income management, are currently on Voluntary Income Management. This, as noted above, is consistent with program guidelines and may be as a result of people choosing this strategy to obtain the additional payment made to those on the voluntary initiative.

Rejected applications

The Centrelink dataset contains eight codes for the rejection of an application for exemption. The most frequently cited reason recorded in October 2011 for those subject to Compulsory Income Management was a failure to provide evidence (36.0 per cent), health and engagement activity not met (30.4 per cent), unacceptable evidence (11.8 per cent), and not being financially stable (11.8 per cent).

Again, as shown in Table 8-1, there are a small group of people apparently on Voluntary Income Management who have a rejected application for exemption. These codes, along with a number of people on the child protection and vulnerable measures are likely to be a residual classification from the time the person was on CIM, but where they have changed the form of income support they are on. Given the small number of cases they have been included in analysis.

Withdrawal of application for exemption

A number of individuals who make application for an exemption withdraw this prior to an assessment being made. Detailed information on the reasons for this occurring is not available, however it may include some cases where, after having made an application for exemption, a person may be given some feedback on the extent of non-compliance, for example the number of lost

BasicsCards, or may find themselves unable to obtain appropriate evidence to back up their claim.

Out of Scope

The main group considered to be out of scope for this analysis of exemptions are those who are full-time students. While these are a genuine exemption from income management, to include them in this analysis would introduce considerable bias in estimating the impact of the exemption policy for different groups.

The reason for this lies in the role of the ABSTUDY payment as a form of income support for Indigenous students. The purpose of ABSTUDY is to *'address the particular educational disadvantages faced by Aboriginal and Torres Strait Islander people by improving educational outcomes to a level commensurate with the Australian population in general. ABSTUDY policy aims to encourage eligible Indigenous students to take full advantage of available educational opportunities and improve their employment opportunities'* (DEEWR, 2012a). Non-Indigenous students are eligible for Youth Allowance Payments. As ABSTUDY does not fall within scope of the disengaged youth element of income management, because unlike Youth Allowance it is only available to students and not the unemployed, it is not a trigger payment for income management (although potentially a person on ABSTUDY may be subject to either the vulnerable or child protection measures).

A consequence of this is that including full-time study in the main analysis of exemptions would be to treat non-Indigenous full-time students and apprentices as having gained exemptions, while ignoring Indigenous full-time students and apprentices. This would introduce a marked bias and make it appear as if such exemptions were provided to non-Indigenous students only.⁷⁹

A small number of people are also classified in the 'out of scope' group because they were deemed to be 'no longer eligible'. As illustrated, while some of these appear to be subject to income management, others are not. One reason for this result is that this code may, for example, indicate where people change the type of income support they are on and move from being subject to income management to not being so, or a person may have this code still on their record but have since moved back into income management.

Administrative error codes

The final set of codes essentially relates to administrative errors and is ignored in this analysis.

8.2.1 Persons with rejections and exemptions no longer in receipt of eligible income support

The focus of the discussion in this analysis is on the current status of individuals subject to, or currently exempt from, income management. In taking this

⁷⁹ The relative size of these populations was noted in the FaHCSIA response to a question at Senate Estimates: 'At 30 December 2011, there were 878 people who were automatically exempt from income management due to being either a full time student or apprentice. There were also 706 ABSTUDY recipients (all Indigenous) and 86 Austudy recipients (all non-Indigenous) on 30 December 2011.' (FaHCSIA, 2012c)

approach it considers the 'stock' of exemptions at a point in time. While as shown in this section, using this approach, there were 1 550 people with exemptions in October 2011;⁸⁰ it is estimated from the quarterly data, that there have been 2 034 people who have had an exemption at one time or another up until this date.⁸¹ That is, there are 484 people who have had an exemption but are either no longer exempt or are no longer on a trigger payment. Only limited analysis of this group has been undertaken. Most (437) are no longer on Compulsory Income Management trigger payments or not on income support at all. Some 38 appear to have returned to compulsory income management.

This dynamic also affects records of people having had their application for exemption rejected. The data indicates that of the 1 550 people currently with an exemption, there are 84 who had previously had an application for exemption rejected. There are also 167 people who have had an application rejected who are either not on an income management trigger payment or not in receipt of income support.

A question for further analysis is the relationship between the receipt or rejection of an application for an exemption and people's patterns of income support receipt, including the likelihood of moving to another payment or off payment entirely. This will however require more detailed data which enables these changes to be tracked more consistently, and is an issue which will be considered in subsequent reports.

8.3 The rollout of NIM and exemptions

At the time of the first snapshot of data for NIM in July 2010, there were 16 733 people subject to income management, almost all of whom were under the NTER IM measure. A further 145 had an exemption.

Table 8-2 documents the pattern of the rollout of the program and the extent to which people gained exemptions, with more details on the grounds for granting and rejecting exemptions being provided in Table 8-3 and Table 8-4. Table 8-3 presents a snapshot of the potential income management population at each of the data points. Caution needs to be exercised in interpreting the quarter to quarter changes, as these do not simply reflect the activity over the quarter; they are the sum of both additional applications and decisions on exemptions, and the effect of new people being subject to income management, and of some existing people either exiting the income support system or moving onto payments not subject to income management. That is, the changes also reflect changes in the population in receipt of income support, and the characteristics of these, and hence whether or not they are subject to income management.

As shown in Table 8-2, both applications for, and decisions on, exemptions tended to lag the rollout of the program. While, as detailed in Chapter 4, the rollout of the NIM arrangements was substantially in place by October 2010 and virtually complete by February 2011, it was not until July 2011 that there

⁸⁰ This comprises 1 536 currently not subject to NIM because of an exemption, and 14 with exemptions but who are currently on Voluntary Income Management.

⁸¹ That is, they were recorded as being exempt in October 2010, February 2011, July 2011, or October 2011. Exemptions under the NTER IM have not been included.

appears to be some stability in the number of applications for, and granting of, exemptions.

Table 8-2 Rollout of income management – exemptions, October 2010 to October 2011

	October 2010	February 2011	July 2011	October 2011
VIM (excluding exempt)	3 840	4 558	4 267	4 214
CPIM & VULIM	20	214	296	245
<i>Potential compulsory with exemption)</i>				
CIM no application for exemption	10 920	10 396	10 895	11 422
CIM exemption rejected	349	658	1 152	1 152
CIM application for exemption withdrawn	25	40	72	77
On VIM, has exemption	5	11	19	14
<i>Total</i>	<i>11 299</i>	<i>11 105</i>	<i>12 138</i>	<i>12 665</i>
Not on CIM because of exemption	255	859	1 523	1 536
Total compulsory incl. exemption	11 554	11 964	13 661	14 201
Per cent with exemption	2.3	7.3	11.3	10.9
Per cent applied for exemption	5.5	13.1	20.3	19.6
Per cent successful	41.0	55.5	55.6	55.8
Per cent not withdrawn successful	42.7	56.9	57.1	57.4

Source: Derived from Centrelink income management & IS/FTB datasets.

In July and October 2011 a much more stable picture emerges with around 1 500 of the 14 000 people potentially subject to compulsory forms of income management having an exemption – some 11 per cent of the group, and around 20 per cent having made an application for an exemption.⁸²

Table 8-3 shows, for those currently not subject to Compulsory Income Management because of an exemption, the grounds on which exemptions have been granted.

The first part of the table presents the exemptions under the NTER which were in place in July 2010. The main grounds on which an exemption was provided, accounting for 44.1 per cent of exemptions, was that the person was only temporarily in the community. The second most common reason was the granting of discretionary exemption (20.7 per cent of exemptions).⁸³ By October 2010, while there were still people on the NTER IM program, no records showed an exemption code against this program component.

⁸² Although stable in a cross-sectional sense, there continues to be considerable differences within the population. For example, while there were 1 536 people with exemptions on income support (other than those on Voluntary Income Management) in October 2011 and 1 523 in July 2011 only 1 253 (82.3 per cent) of those with an exemption in July 2011, were on income support with an exemption in October 2011. The main movement amongst this group were the 239 who were no longer on income support. Similarly while the number of people with a rejected application were the same in both periods (1 152) only 992 of those with this status in July 2011 had this status in October 2011. The main movements were again off payment (101) while a further 51 appear to have reapplied for an exemption and were this time granted one.

⁸³ Persons with an exemption under the NTER IM were subject to NIM if they fell within the scope of either the Disengaged Youth or Long-term Welfare Payment Recipients measures.

Table 8-3 Persons not on Compulsory Income Management because of an exemption, reason for exemption, July 2010 to October 2011

	July 2010	October 2010	February 2011	July 2011	October 2011
	Number				
Little connection to community	27				
Not a member of the community	23				
Ministerial exemption	*				
Discretionary exemption	30				
Temporarily in community	64				
Participating in approved activity		30	68	60	35
Child participating in approved activity		220	446	299	146
Health and/or engagement activities met		-	323	1 114	1 311
In regular paid employment		5	20	47	42
Specified class exemption		-	*	*	*
Total	145	255	859	1 523	1 536
	Composition (per cent)				
Little connection to community	18.6				
Not a member of the community	15.9				
Ministerial exemption	0.7				
Discretionary exemption	20.7				
Temporarily in community	44.1				
Participating in approved activity		11.8	7.9	3.9	2.3
Child participating in approved activity		86.3	51.9	19.6	9.5
Health and/or engagement activities met		0.0	37.6	73.1	85.4
In regular paid employment		2.0	2.3	3.1	2.7
Specified class exemption		0.0	0.2	0.2	0.1
Total	100.0	100.0	100.0	100.0	100.0

Note: *= Less than five persons. (Data in this table has not been able to be fully perturbed.)

Source: Derived from Centrelink income management & IS/FTB datasets.

In terms of the grounds on which exemptions were granted, as noted above, the three codes relating to children's activities are largely synonymous and have accounted for most of the successful applications across the period. There does however appear to have been a change in the way in which these exemptions have been coded.

Exemptions for being in regular employment have been small across the history of rollout and maturation of the program – being the grounds for exemption in just two to three per cent of cases.

While there are some marked trends over time in the reasons why applications for exemption are rejected (see Table 8-4), there is an issue in interpreting this, given patterns in the use of different codes with substantially similar meanings. This, in particular, concerns the codes relating to the extent to which children 'were not participating in approved activities' and 'health and engagement activities were not met', with this latter code being used with greater frequency.

There has also been a decrease in the proportion of applications being recorded as rejected because the person failed the financial stability test; in October 2010 this accounted for a third of all rejections but by October 2011 it had fallen to just under twelve per cent. Again it is not clear as to the extent to which this is driven by a change in the characteristics of those applying for an exemption, or a tendency to use the grounds for application – that is exemption because of child health and participation – as the coding of the rejection.⁸⁴

Table 8-4 Persons on Compulsory Income Management, reasons for rejection of application for exemption, October 2010 to October 2011

	October 2010	February 2011	July 2011	October 2011
	Number			
Not participating in approved activity	47	59	50	47
Health or engagement activities not met	-	95	335	350
No evidence provided	123	226	423	415
Not financially stable	118	162	151	136
Not a full-time student	8	6	9	7
Not in regular paid employment	25	41	67	59
Does not meet specified class exemption	0	0	1	2
Unacceptable evidence	28	69	123	136
Total	349	658	1 159	1 152
	Composition (per cent)			
Not participating in approved activity	13.5	9.0	4.3	4.1
Health or engagement activities not met	0.0	14.4	28.9	30.4
No evidence provided	35.2	34.3	36.5	36.0
Not financially stable	33.8	24.6	13.0	11.8
Not a full-time student	2.3	0.9	0.8	0.6
Not in regular paid employment	7.2	6.2	5.7	5.2
Does not meet specified class exemption	0.0	0.0	0.2	0.1
Unacceptable evidence	8.0	10.5	10.6	11.8
Total	100.0	100.0	100.0	100.0

Note: The population for each column is those who were on income management at that date and who had received at least one rejection of exemption in the past. The table shows the most recent reason for rejection.

Source: Derived from Centrelink income management & IS/FTB datasets.

The proportion of exemptions rejected because of a lack of evidence or because of unacceptable evidence has remained in the mid 40s over most of the period.

⁸⁴ The Department of Human Services have indicated in correspondence to the evaluation team that 'There was a policy clarification in March 2011 concerning the application of the financial assessment which might have had an effect on the number of cases that had been rejected due to failing the financial vulnerability test.' As seen in the table, the decline in the relative use of this code, although not absolute, appears to have commenced prior to this.

8.4 Who obtains exemptions

The following section considers the characteristics of those who have sought and obtained exemptions.

8.4.1 By program initiative

Those persons subject to the Disengaged Youth initiative were more likely to have sought and been successful in gaining an exemption from income management.

As illustrated in Table 8-5, of the population on income management or with an exemption in October 2011, 9.6 per cent of disengaged youth have exemptions, in comparison to 11.5 per cent of those who are subject to the Long-Term Welfare Payment Recipients measure.

Table 8-5 Applications for and granting of exemptions by initiative type, October 2011

	Disengaged Youth	Long-Term Welfare Payment Recipient	Total
Potential compulsory			
CIM no application for exemption	3 880	7 542	11 422
CIM exemption rejected	222	930	1 152
CIM application for exemption withdrawn	6	71	77
On VIM has exemption	5	9	14
<i>Total</i>	<i>4 113</i>	<i>8 552</i>	<i>12 665</i>
Not on CIM because of exemption	433	1 103	1 536
Total compulsory including exemption	4 546	9 655	14 201
- % -			
Per cent with exemption	9.6	11.5	10.9
Per cent applied for exemption	14.7	21.9	19.6
Per cent successful	65.6	52.7	55.8
Per cent not withdrawn successful	66.3	54.5	57.4

Source: Derived from Centrelink income management & IS/FTB datasets.

This pattern is seen within the data in terms of the rate of application for exemption where 14.7 per cent of Disengaged Youth have made an application, compared with 21.9 per cent of those on the Long-Term Welfare Payment Recipients initiative. Disengaged Youth are, however, more likely to have success in obtaining an exemption, with the rate of success of applications by people on these measures being 65.6 per cent and 52.7 per cent respectively.

Those on the Long-Term Welfare Payment Recipients measure were twice as likely as Disengaged Youth to have gained an exemption because of being in regular employment. However, even amongst this group, exemptions on this ground only accounted for 3.3 per cent of all exemptions.

The difficulty in gaining an exemption for those on the Disengaged Youth and Long-Term Welfare Payment Recipients measures, who do not have children, was raised by a number of Centrelink staff in the qualitative interviews.

Customers may be fulfilling their participation obligations to Centrelink and their Job Service providers through voluntary work, training, regular employment (less than 15 hours p/w) and yet they are still not eligible for an exemption. For example, a 56 year old lady is meeting her participation obligation by completing 15 hours per week, yet she does not meet the exemption criteria. Understandably so, this lady was very upset. Her own words were, "I've raised 7 children, I contribute to my local community and I don't spend money on alcohol, cigarettes or drugs, and now I'm being income managed. I feel violated..."

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So yeah it's - sometimes customers find it a bit hard to fit into those criteria... I think long-term welfare recipients because I mean if you've been on income support for that period I think it's 26 weeks out of the last 52 weeks or something - non-consecutive and for those customers I believe the exemption criteria they have to have worked so much in the past six months or whatever. I think we find that people who are on income support for that long it's unlikely that they've worked that much. So yeah it's one of the more difficult ones to get exemptions for.

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Some went as far as saying they believed that the conditions for being exempted from Compulsory Income Management for long-term welfare recipients had been developed to encourage people to move off income support by finding work.

The Newstart one is based on work and earning from employment. It's quite - I don't think it's any secret, that's the stick. Look if you work, if you get part time work and work at a certain level for a certain period of time you'll be off income management. It's quite a good encouragement to get in the workforce. If they're worried about the stigmatism, that's a great sign. It shows they've still got pride in themselves; they've still got that drive to make themselves better, which is excellent. Somebody who's just completely unfazed by it would worry me.

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8.4.2 Type of income support

The role of child-related exemptions becomes more apparent when the payment types of individuals subject to income management are considered in Table 8-6.

The 1 142 people on Parenting Payment Single with exemptions who are currently not on income management because of this, account for 74.3 per cent of all persons with exemptions not on income management. A further 17.6 per cent of people in this group are on Parenting Payment Partnered and 7.9 per cent on Newstart Allowance.

Overall, 33.6 per cent of people on Parenting Payment Single who would otherwise be subject to Compulsory Income Management have obtained an exemption. This represents a 66.4 per cent success rate for the 50.6 per cent of the group who have made an application for exemption.

Table 8-6 Applications for and granting of exemptions by payment type, October 2011

	Newstart Allowance	Parenting Payment Partnered	Parenting Payment Single	Youth Allowance	Other	Total
Potential compulsory						
CIM no application for exemption	6 636	1 812	1 687	1 278	9	11 422
CIM exemption rejected	206	402	538	6	0	1 152
CIM application for exemption withdrawn	4	29	43	0	1	77
On VIM has exemption	3	3	8	0	0	14
<i>Total</i>	<i>6 849</i>	<i>2 246</i>	<i>2 276</i>	<i>1 284</i>	<i>10</i>	<i>12 665</i>
Not on CIM because of exemption	121	270	1 142	3	0	1 536
Total compulsory including exemption	6 970	2 ,516	3 418	1 287	10	14 201
			- % -			
Per cent with exemption	1.8	10.9	33.6	0.2	0.0	10.9
Per cent applied for exemption	4.8	28.0	50.6	0.7	10.0	19.6
Per cent successful	36.5	39.1	66.4	33.3	0.0	55.8
Per cent not withdrawn successful	37.2	40.6	68.1	37.5	0.0	57.4

Source: Derived from Centrelink income management & IS/FTB datasets.

The rate of application and success of those on other payments is much lower. Of those on Parenting Payment Partnered in October 2011, and who would be subject to income management due to their duration on this payment, 28.0 per cent have made an application for exemption, with 39.1 per cent being successful. Amongst those on Newstart Allowance the rate of application is even lower (4.8 per cent) but the success rate of 36.5 per cent is not much below the level of those on Parenting Payment Partnered.

With regard to those on Youth Allowance it is to be noted that, as detailed before, this analysis excludes those who have been granted exemptions as a result of being a full-time student or an apprentice.

8.4.3 Country of Birth and migration status

Table 8-7 illustrates the extent to which people access exemptions by broad classification of country of birth. Of particular note in the table are the differences between the Indigenous and non-Indigenous Australian born populations.

Whereas 50.1 per cent of non-Indigenous Australians (by birth) applied for an exemption and 81.2 per cent were successful, just 13.2 per cent of Indigenous Australians made an application with a success rate of a 36.5 per cent. This is examined further later in this chapter.

Looking at those who were born outside of Australia, the overwhelming majority were born in non-English speaking countries. This group had the highest rate of applications for exemptions (57.7 per cent) and the second highest rate of success (77.4 per cent). Those born in English speaking countries applied for exemptions at much the same rate as the non-Indigenous Australian born population and had a success rate slightly below these.

Table 8-7 Applications for and granting of exemptions by broad country of birth, October 2011

	Australian born non-Indigenous	Indigenous	Born overseas:		Total (b)
			ESB(a)	NESB	
Potential compulsory					
CIM no application for exemption	892	10 115	69	201	11 422
CIM exemption rejected	155	922	18	56	1 152
CIM application for exemption withdrawn	15	53	3	6	77
On VIM has exemption	1	13	0	0	14
<i>Total</i>	<i>1 063</i>	<i>11 103</i>	<i>90</i>	<i>263</i>	<i>12 665</i>
Not on CIM because of exemption	726	548	50	212	1 536
Total compulsory including exemption	1 789	11 651	140	475	14 201
- % -					
Per cent with exemption	40.7	4.8	35.7	44.6	10.9
Per cent applied for exemption	50.1	13.2	50.7	57.7	19.6
Per cent successful	81.2	36.5	70.4	77.4	55.8
Per cent not withdrawn successful	82.4	37.8	75.8	78.5	57.4

Notes:

(a) ESB – English speaking background, NESB – Non-English speaking background, As per Department of Immigration Multicultural and Indigenous Affairs, 2003.

(b) Includes a small number of records with missing country of birth.

Source: Derived from Centrelink income management & IS/FTB datasets.

Table 8-8 Applications for and granting of exemptions by immigration visa category, October 2011

	Australian born	O/S No Visa (a)	With a visa (type):			Total
			Family	Humanitarian	Other	
Potential compulsory						
CIM no application for exemption	10 571	669	57	77	48	11 422
CIM exemption rejected	1 064	39	14	21	14	1 152
CIM application for exemption withdrawn	67	5	2	2	1	77
On VIM has exemption	14	0	0	0	0	14
<i>Total</i>	<i>11 716</i>	<i>713</i>	<i>73</i>	<i>100</i>	<i>63</i>	<i>12 665</i>
Not on CIM because of exemption	1 269	96	55	63	53	1 536
Total compulsory including exemption	12 985	809	128	163	116	14 201
- % -						
Per cent with exemption	9.9	11.9	43.0	38.7	45.7	10.9
Per cent applied for exemption	18.6	17.3	55.5	52.8	58.6	19.6
Per cent successful	53.1	68.6	77.5	73.3	77.9	55.8
Per cent not withdrawn successful	54.7	71.1	80.9	74.1	79.1	57.4

Note:

(a) Persons with country of birth not Australia but no visa type recorded on Centrelink system.

Source: Derived from Centrelink income management & IS/FTB datasets.

Although only a relatively small number of records had a visa status on them, this characteristic is considered here because of the existence of some refugee groups within communities in the Northern Territory. As illustrated in Table 8-8, the type of visa, in particular those granted on a humanitarian basis, does not seem to be a major factor associated with either differences in the rate of

application for, or in the success of gaining, an exemption from income management.

8.4.4 Location

Table 8-9 classifies people by Indigenous status and whether or not they live in an area that was subject to the NTER. Approximately two-thirds of all the people affected by NIM, and just over 60 per cent of those affected by compulsory measures, are Indigenous Australians living in areas which were prescribed communities under the NTER.

Table 8-9 Applications for and granting of exemptions by NTER prescribed area, October 2011

	Non-Indigenous			Indigenous		
	Not NTER Community	NTER Community	Total	Not NTER Community	NTER Community	Total
Potential compulsory						
CIM no application for exemption	1 178	129	1 307	2 121	7 994	10 115
CIM exemption rejected	226	4	230	340	582	922
CIM application for exemption withdrawn	22	1	23	17	37	54
On VIM has exemption	3	0	2	4	8	12
<i>Total</i>	<i>1 429</i>	<i>133</i>	<i>1 562</i>	<i>2 482</i>	<i>8 621</i>	<i>11 103</i>
Not on CIM because of exemption	980	8	988	428	120	548
Total compulsory incl. exemption	2 409	141	2 550	2 910	8 741	11 651
- % -						
Per cent with exemption	40.8	5.7	38.8	14.8	1.5	4.8
Per cent applied for exemption	51.1	8.5	48.7	27.1	8.5	13.2
Per cent successful	79.8	66.7	79.6	54.6	17.3	36.5
Per cent not withdrawn successful	81.3	66.7	81.1	55.9	18.1	37.8

Source: Derived from Centrelink income management & IS/FTB datasets.

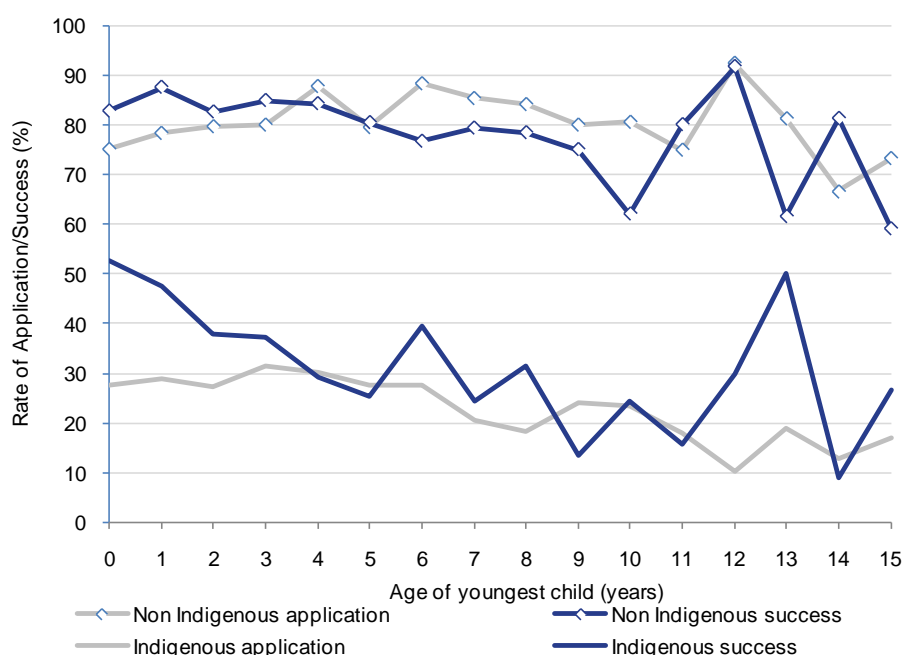
This group recorded a very low rate of application for exemption – just 8.5 per cent, and had a 17.3 per cent success rate. As a result, 1.5 per cent of the people in this group had an exemption. In contrast, 27.1 per cent of Indigenous people living in other locations lodged applications with a 54.6 per cent success rate. This resulted in a 14.8 per cent exemption rate.

These rates remain substantially below the 79.8 per cent success rate for the 51.1 per cent of non-Indigenous people living in these locations who sought an exemption.

8.4.5 Age and number of children

One issue raised in consultations was a perception that it was much easier to gain an exemption if a person had a young child and a small number of children. The general view was it was easier to demonstrate good parenting for a very young child – immunisations and health checks, as opposed to an older child – school attendance, etc. In addition, it was easier to satisfy the criteria with one child compared to a number of children; it only requires one child to fail to achieve the attendance requirements to exclude the parent from an exemption.

Figure 8-2 Persons with a child, rate of application for exemption and success, by Indigenous status and age of youngest child, October 2011



Source: Derived from Centrelink income management & IS/FTB datasets.

In some discussion it was suggested that this brought in some inconsistency in the assessment for exemptions, and that exemptions might be more easily obtained by those with a child in their most vulnerable earlier years.

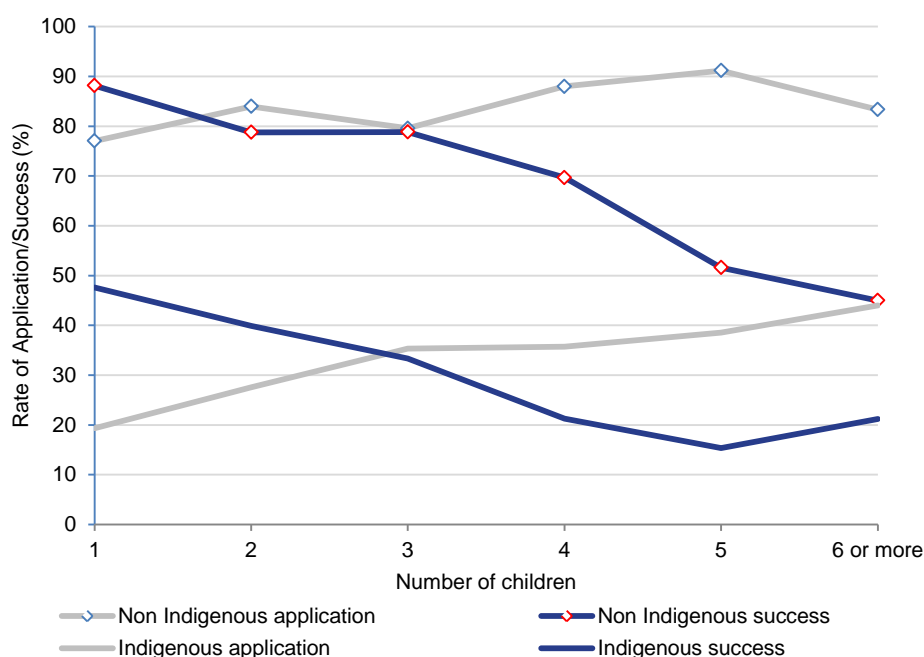
Looking firstly at the age of the youngest child amongst the Indigenous population there is an obvious, if not quite consistent, gradient in both applying for and obtaining an exemption. This is particularly marked in the rate of success which falls from just over 50 per cent for children aged less than 1 year to around 20 per cent for those with children aged 9 to 11 years.

A different pattern is seen when the analysis is undertaken looking at the number of children, see Figure 8-2. Amongst non-Indigenous people the rate of application tends to increase slightly with the number of children, from 77.1 per cent for those with just one child to 91.2 per cent for those with five children, while the rate of approval falls from 88.2 per cent for those with one child to 46.7 per cent for those with six children.

This pattern is largely reflected amongst the Indigenous population, albeit at a much lower rate of application and success. The application rate rises from 19.3 per cent for those with a single child to 44.0 per cent for those with six children, while the rate of success of these applications falls from 47.6 per cent for one child to as low as 15.7 per cent for those with five children.

While it might be suggested that the higher application rate and lower approval rate tend to offset each other, at this time in the analysis, no information seems to inform this pattern.

Figure 8-3 Persons with a child, rate of application for exemption and success, by Indigenous status and number of children, October 2011



Source: Derived from Centrelink income management & IS/FTB datasets.

The issue of the differences in the ability of parents to obtain exemptions by child age was acknowledged by Centrelink staff in interviews, but generally was just seen as one of the quirks of the system and a consequence of only having a limited number of objective behaviours that could be used to assess people's parenting skills.

In terms of evidence required, and how customer's exemptions are assessed, the easiest type of exemption to get is for customers who have dependent children under six years, specifically newborns. Only up to date immunisations (birth dose) and health check evidence (hospital discharge summary) is required. I find it interesting that for newborns it is so simple to be granted an exemption and yet these customers are in receipt of the Baby Bonus in addition to their income support ... This is just an observation.

Centrelink Customer Service Adviser

8.4.6 Gender and presence of children

The rates of application for and receipt of exemptions by gender and the presence of children are shown in Table 8-10. This illustrates the previously identified issue of the limited options for an exemption for those without children. (Alternatively it is probable that if a person meets the criteria for an exemption, that is substantial ongoing employment that this is likely to remove them from payments totally.)

Only 1.4 per cent of women and 0.8 per cent of men without children who would otherwise have been subject to income management have been successful in gaining an exemption.

Table 8-10 Applications for and granting of exemptions by gender and whether or not have children, October 2011

	No Children		With Children	
	Female	Male	Female	Male
Potential compulsory				
CIM no application for exemption	2 552	4 626	4 111	133
CIM exemption rejected	53	61	1 008	30
CIM application for exemption withdrawn	3	0	69	5
On VIM has exemption	1	0	13	0
<i>Total</i>	<i>2 609</i>	<i>4 687</i>	<i>5 201</i>	<i>168</i>
Not on CIM because of exemption	35	36	1 404	61
Total compulsory including exemption	2 644	4 723	6 605	229
- % -				
Per cent with exemption	1.4	0.8	21.5	26.6
Per cent applied for exemption	3.5	2.1	37.8	41.9
Per cent successful	39.1	37.1	56.8	63.5
Per cent not withdrawn successful	40.4	37.1	58.4	67.0

Source: Derived from Centrelink income management & IS/FTB datasets.

Amongst those with children, some 21.5 per cent of women and 26.6 per cent of men have gained exemptions; however, women account for 95.8 per cent of exemptions in this category as the numbers of men in this grouping are very small.

8.5 Multivariate analysis

Multivariate analysis was undertaken to consider the impact of these and other characteristics of the population subject to income management on applying for and obtaining exemptions. The population was restricted to the population of people on income support and subject to income management, and those who would otherwise have been income managed if it was not for an exemption. This group was further restricted to those with children, as virtually all exemptions are based on this criteria.

This latter decision while limiting the analysis, and not addressing the question of the virtual absence of exemptions, and possible opportunities to obtain exemption by those without children, also allows a richer set of covariates to be used for the analysis.

Specifically the approach seeks to control for the effects of being Indigenous; the ABS score for socio-economic disadvantage (SES) in the Statistical Local Area in which the person lives; whether or not they live in an area which was prescribed under the NTER; their age (entered as a quadratic to allow for non-linearity); their duration on income support (as a log – taking into account the long upper tail of the distribution); the number of children they have; and for those with children, the age of their youngest child.

While these variables identify some of the factors which may be associated with differences in outcomes, a range of other characteristics for which data is not available may also play a role. Where such omitted variables exist, to the extent they have a relationship with variables actually included in the model, they may create a bias in the analysis. For example in the case of education, if levels of

education vary systematically with the SES of a location, and education has an impact on applying for and being successful with an application for exemption, then this may be reflected in the estimated parameter value of the SES of the location. This needs to be borne in mind in interpreting results from this analysis.

As seen above, virtually all exemptions are granted to individuals with children. As a consequence, when the population is restricted for this analysis to those with children, the average rate of applications for exemptions rises to 37.7 per cent and 21.3 per cent of the population have exemptions.

This data, Table 8-11, shows that a wide range of factors appear to be significant in explaining the relative propensity of people to apply for exemptions and the success of these. In particular, the impact of being Indigenous remains very strong, even after controlling for the duration of time a person is on income support, the level of socio-economic disadvantage in the location in which they live, and the number and characteristics of their children. Indeed being Indigenous would appear to reduce the probability of a person making an application for an exemption by 30 percentage points, and their likelihood of being granted an exemption, if they apply, by 23 percentage points. These results were highly statistically significant.

Table 8-11 Persons with children subject to Compulsory Income Management, estimating the contribution of individual characteristics on probability of making an application for an exemption and its success, October 2011

	Probability of making an application:				Probability of an application being successful if the person lodges one:			
	Coef.		z	Marginal effect (a)	Coef.		z	Marginal effect
Indigenous	-0.9174	**	-17.62	-0.3087	-0.7496	**	-11.06	-0.2337
SEIFA disadvantage score	0.0008	**	4.94	0.0002	0.0011	**	3.57	0.0003
If NTER area	-0.6258	**	-9.14	-0.2044	-0.6574	**	-4.71	-0.2087
Gender (being female)	0.1935	*	1.88	0.0527	0.1308		0.86	0.0366
Partnered (being partnered)	-0.1294	**	-3.24	-0.0368	-0.1833	*	-2.52	-0.0522
Age	0.0553	**	4.12	0.0155	-0.0071		-0.3	-0.0020
Age squared	-0.0007	**	-3.95	-0.0002	0.0002		0.49	0.0000
Time on income support	0.0000		-1.49	0.0000	-0.0001		-1.6	0.0000
Log of time on income support	0.1096	**	3.75	0.0308	0.0746		1.47	0.0207
Number of children	0.0979	**	5.52	0.0275	-0.2860	**	-10.16	-0.0794
Age youngest child	-0.0265	**	-4.19	-0.0074	-0.0829	**	-7.51	-0.0230
Constant	-1.6845	**	-5.22		0.3268		0.55	
Pseudo R ²	0.2448				0.2798			
Observations	6 658				2 506			

Notes: ** P<.01, * P<.05.

(a) Change in probability as a result of a unit change in variable, average of individual estimates.

Source: Derived from Centrelink income management & IS/FTB datasets.

Living in an area of socio-economic disadvantage also reduced the likelihood of both applying for an exemption and being successful.⁸⁵ Being in an NTER prescribed community had a further and additional negative impact. Gender was almost significant at the 95 per cent level with respect to making applications, and was associated with a 5 percentage point higher rate of application, while being partnered had a mild negative effect. The number of children had a mild positive impact on applications and a negative impact on success, while having an older youngest child was negative in both cases.

The combination of effects can be even more significant and was considered in more complex modelling. Derived from this Table 8-12 shows the predicted probabilities of making an application and the success of this, taking into account both whether or not the person was Indigenous and if they lived in a former NTER prescribed area.

Table 8-12 Persons with children subject to Compulsory Income Management, estimated probability of application for exemption and success by Indigeneity and location controlling for other characteristics, October 2011

Whether person is Indigenous	Location	Probability of :	
		Making application	Application successful
- % -			
Non-Indigenous	Non NTER	76.4	75.5
Non-Indigenous	NTER	33.6	83.0
Indigenous	Non NTER	42.3	51.8
Indigenous	NTER	21.9	28.7
Note:	NTER Location is a location prescribed under the NTER.		
Source:	Derived marginal effects of interaction terms from probit regression using Centrelink income management & IS/FTB datasets.		

That is, taking account of all of the other factors identified above, an Indigenous person with children in a location which had been prescribed under the NTER had a 21.9 per cent probability of making an application for an exemption from NIM and a success rate of 28.7 per cent. A non-Indigenous person, with children, in a non-NTER location, had a 76.4 per cent probability of making an application and a 75.5 per cent rate of success.

As noted earlier, these estimates only apply to people with children. There were too few applications or exemptions approved to allow the rates for those without children to be calculated.

8.6 Reviews and appeals

As indicated in the introduction to this chapter individuals have a right of appeal against a range of decisions taken by Centrelink with regard to the administration of income management, including the right to appeal against the rejection of applications for exemptions.

⁸⁵ That is, a higher SEIFA score indicating less disadvantage is associated with a higher probability of application and success.

Only limited data is available on appeals at this time. No data has been provided to the evaluation team on the characteristics of those who have made appeals, nor the specific aspect of income management that is being appealed against.⁸⁶

As at 30 December 2011 data indicates:

- There were 205 requests for review by the Centrelink original decision maker. Of these, 154 saw the original decision affirmed, 28 were set aside, 17 were withdrawn by the applicant, and six of the original decisions were varied.
- 150 requests were made to have a decision reviewed by an Authorised Review Officer. Of these, 124 were affirmed, ten were set aside, and 16 were withdrawn by the applicant.
- Ten appeals were lodged with the Social Security Appeals Tribunal. In eight cases the original decision was affirmed while in two cases the Tribunal determined that they had no jurisdiction.
- Four appeals proceeded to the Administrative Appeals Tribunal. In three cases the original decision was affirmed, while one application was withdrawn.

This data suggests that the original decision making appears to be relatively robust, relative to the grounds of appeal.

8.7 Conclusion

The introduction of exemptions under the NIM arrangements in the Northern Territory were designed to provide a means by which people who were engaged in responsible parenting and other behaviours would not be subject to income management. The exemption provisions contain a set of criteria and guidelines to ensure clear and consistent decision making. This represented a marked departure from the more limited option of discretionary exemptions under the NTER IM arrangements.

Other than exemptions from income management for full-time students, virtually all exemptions have been granted on the basis of responsible parenting. This is likely to be as a result of the much more limited options available for exemption of those without children, and that the one avenue, regular paid employment (for a minimum of six months in the past 12 of at least 15 hours per week), is a relatively unlikely occurrence for those with job search requirements mainly involving full-time work.

Across the population of those on Compulsory Income Management (or who would have been income managed if they were not exempt), only 19.6 per cent applied for an exemption and just 10.9 per cent obtained them.

⁸⁶ As was noted earlier, people can appeal a range of decisions made by Centrelink regarding income management, not just decisions on exemptions. The information provided to the project team does not allow this report to differentiate the reasons for applications for review and appeals.

The rate of exemption varies across the characteristics of people subject to income management; however, most significant are the very much lower rates of applications by Indigenous people and much lower rates of success by those who do apply. Multivariate analysis indicates that this strong finding remains even when a wide range of demographic and other factors are controlled for.

9. PERSPECTIVES OF CENTRELINK STAFF, MERCHANTS, CHILD PROTECTION WORKERS, AND MONEY MANAGEMENT AND FINANCIAL COUNSELLORS

This chapter provides information about early implementation and process issues from the perspectives of those involved in implementing different aspects of NIM. Information was collected via quantitative surveys and qualitative interviews. The groups of service providers it was collected from were:

- Centrelink staff
- money management workers and financial counsellors
- Northern Territory Department of Children and Families (DCF) child protection professionals
- Merchants approved to accept BasicsCard or Schedule 4 or 5 payments.

In addition, other service providers and peak bodies who work with people who have been impacted by the transition from NTER IM to the new IM program were invited to take part in discussions about the implementation of IM.

The chapter commences with an overview of some of the methodological issues experienced with the surveys and interviews, and a description of the samples involved in the different components of the studies with Centrelink staff and other service providers. It then explores the following issues that were addressed in the discussions with Centrelink, DCF and Money Management/financial counselling staff and other stakeholders:

- implementation issues for NIM (including their clients' understandings of NIM and the transition from NTER to NIM)
- staffing and training issues
- availability and capacity of services to assist people subject to NIM
- comments on the different measures by service providers
- perception of the impacts on NIM including impacts on different groups of people.

The views of other stakeholder groups (including Northern Territory legal services and peak bodies representing refugees and women) about the implementation of NIM are also explored.

The chapter concludes with a discussion of findings specifically related to the merchants' survey.

The results from these surveys and interviews are also included in other chapters of the report in relation to specific aspects of the program.

9.1 Methodological issues

The primary data collection for the quantitative surveys and interviews⁸⁷ commenced at the beginning of August 2011 and continued until March 2012. While the collection of information from Centrelink staff and merchants was relatively straightforward, it proved to be more challenging in regard to gaining the participation of child protection staff and staff from money management and financial counselling services.

In the lead up to the survey, all agencies in scope for the quantitative survey were initially informed of the research via email, letter or telephone discussions.

The survey was launched on 14 September 2011 and an invitation to staff to participate in the survey was sent via email to a senior manager within each agency. Each agency was then contacted via emails and telephone calls during the fieldwork period.

Some delays were experienced in the surveys being circulated to staff across the different agencies. For Centrelink, the link for the survey could not be accessed by staff at the commencement of the survey period. This issue was resolved at the beginning of October 2011.

DCF was being restructured during September 2011 and the research team had difficulties in engaging staff to participate in both the survey and the qualitative interviews. DCF advised that they were unable to circulate the survey invitation to all staff via email (which was the research team's preferred option), and instead a link was provided to staff on their intranet portal and also within the staff newsletter. This approach proved to have limited success with only four surveys being completed from these links. In order to boost responses, the research team offered to complete interviews with a number of staff via the telephone. However, no further surveys or interviews were achieved with this approach. The difficulty of getting DCF staff to complete the questionnaire may have arisen because most DCF staff have not had much experience with Child Protection Income Management (given the very small numbers of people on this measure) and thus feel that the survey is not really relevant to them.

The engagement of money management and financial counselling services in the survey was also difficult. While all services were followed up via email and telephone calls and offered the chance to complete the survey over the telephone, only nine surveys were completed.

The small number of surveys completed by DCF child protection and money management and financial counselling staff meant that they were not able to be

⁸⁷ A number of these interviews were undertaken earlier with DCF staff to assist with the development of the survey instrument.

analysed quantitatively. Instead this data was used as case studies and analysed alongside the interviews as part of the qualitative analysis.

9.2 Overview of Centrelink, child protection, and money management and financial counselling respondents

The online survey was completed by 128 Centrelink staff while 64 people from Centrelink, the Northern Territory Department of Children and Families, and staff from money management and financial counselling services participated in interviews. This section considers the characteristics of the responses. A description of the merchants' survey sample is presented later in the chapter alongside the findings from the merchants' survey.

9.2.1 Centrelink survey respondents

Background data was collected on: whether the respondents were from an Aboriginal and/or Torres Strait Islander background; the length of time they had worked at Centrelink; their primary role at Centrelink; the context in which they worked; the location of the clients they work with; and the extent to which income management was part of their work.

Of the 128 respondents to the Centrelink survey, 82 per cent reported that they were non-Indigenous, 12 per cent identified as Indigenous, and 5 per cent did not indicate whether they were Indigenous or not.

Although more than half of the respondents had worked at Centrelink for three or more years, 38 per cent stated they had worked at Centrelink for more than five years. Less than 1 per cent of respondents reported having worked for Centrelink for less than a year (Table 9-1).

Table 9-1 Centrelink staff survey, length of time working at Centrelink

Duration of employment	Distribution
	- % -
Less than 1 year	1
1 to 2 years	22
2 to 3 years	18
3 to 4 years	13
4 to 5 years	8
More than 5 years	38
Total	100

Source: Survey of Centrelink Staff 2011.

More than half of the respondents to the survey of Centrelink staff (55 per cent) worked as Customer Service Advisers (Table 9-2). Team leaders/managers made up 14 per cent of the respondents, 11 per cent were social workers, and 5 per cent were income management contact officers. The 14 per cent of 'other'

responses included project officers, trip leaders, senior practitioners and Third Party Organisations⁸⁸ account managers.

Table 9-2 Centrelink staff survey, primary occupation

Occupational role within Centrelink	Responses
	- % -
Team leader/ manager	14
Customer Service Adviser	55
Income Management Contact Officer	5
Social Worker	11
Other	15
Total	100
Number of respondents	128

Source: Survey of Centrelink Staff 2011.

The respondents came from a wide range of locations within Centrelink; 28 per cent worked in the remote area servicing team, 27 per cent in a call centre, and 20 per cent in a customer service centre. 'Other' responses included 'outposted' and remote visiting teams (Table 9-3).

Table 9-3 Centrelink staff survey, location of employment

Where do you work in Centrelink?	Responses
	- % -
In a customer service centre	20
In a call centre	27
In a remote area service centre	3
As part of a remote area servicing team	28
State Office/National Office	14
Other	8
Total	100
Number of respondents	128

Source: Survey of Centrelink Staff 2011.

Respondents to the survey of Centrelink staff were asked whether they provided services primarily to clients from urban, rural or remote clients. Respondents were allowed to select more than one of these responses. Most Centrelink respondents (84 per cent) indicated that they worked with clients from remote areas. Around half said that they worked with clients in urban areas, and 39 per cent reported working with clients in rural areas.

Table 9-4 shows the extent to which the work of respondents involves income management. Most respondents had extensive engagement with income management with 95 per cent indicating that their work involved income management at the time of the survey, and the balance saying that while their work did not currently involve income management, it had previously. Most

⁸⁸ Third Party Organisations (TPO) are primarily businesses that are approved to receive income managed funds.

respondents (74 per cent) reported that their work had related to income management for more than 12 months.

Table 9-4 Extent of involvement with income management

Involvement with income management	Responses
	- % -
<i>Does your work relate to the delivery of services for NIM in the NT?</i>	
Yes, currently involved in my work	95
Previously related to my work but not currently	5
<i>How often does your work relate to income management?</i>	
Every day, or almost every day	94
Several times a week	5
About once a week	1
<i>How long has your work related to income management?</i>	
Less than 6 months	7
Between 6 and 12 months	19
More than 12 months	74
Number of respondents	128

Source: Survey of Centrelink Staff 2011.

9.2.2 Qualitative interview respondents

The qualitative interviews with staff from Centrelink, Department of Children and Families child protection, and Commonwealth-funded money management and financial counselling services focused on issues relating to the implementation of NIM and the transition from NTER IM. The interviews focused on the following questions:

- Views about the purpose of NIM and who may benefit?
- Activities the respondent was involved in preparing for the implementation of NIM?
- What factors the respondent believes have supported the implementation of NIM and what, if any, challenges to its implementation have arisen?
- How clients are responding to being moved onto NIM?
- Experiences of inter-agency working as part of the implementation of NIM?

Participants in the qualitative interviews were recruited via managers of their employing agencies. Face-to-face interviews were conducted in Darwin, Alice Springs, Katherine and Wadeye. In addition interviews with Centrelink National Office staff were conducted in Canberra.

In total, interviews were conducted with 43 Centrelink staff, 7 DCF child protection staff, and 18 staff from money management and financial counselling services (representing eight agencies). In addition, the individual survey responses from DCF child protection staff and money management workers and financial counsellors have been developed into case studies which were then included in the qualitative data analysed throughout this chapter. These case studies included a similar range of views as those expressed by their

colleagues in the qualitative interviews. The number of qualitative interviews and case studies conducted with each service type is summarised in Table 9-5.

Table 9-5 Number of qualitative interviews and case studies by service type

	Interviews	Surveys as case studies	Total used in qualitative analyses
		- Number -	
Centrelink	43	0	39
DCF child protection workers	7	4	10
Money management workers and financial counsellors	18	9	27
All service types	68	13	66

9.3 Implementation issues for income management

This section considers service providers' perceptions of a range of different aspects of the implementation of NIM in the Northern Territory. (Chapter 2 provides an overview of the implementation of NIM and the transition from NTER IM to NIM.) The initial focus is on broad perceptions of the implementation from the qualitative data collection. This is then followed by more detailed consideration, using both the survey and qualitative data of three key questions:

- the perceived adequacy of information provided to people being income managed about why they are subject to income management and how it works
- the usefulness of different approaches to assist people on income management in improving their understanding of the measure
- the ways in which their agency's clients reacted to the implementation of the measure.

9.3.1 Comments about the implementation as a process

Overall, Centrelink staff who took part in the interviews reported that within Centrelink the implementation of NIM had been challenging but had generally gone well.

Staff involved in the planning for, and development of, processes for the implementation noted that much had been learned from the NTER and that the lead-time for the implementation of NIM had allowed for many of the processes and policies to be developed in detail prior to the rollout. However, it was noted that there were challenges, including difficulties in getting other service providers and agencies 'on board'. It was also noted that, despite careful planning, there were aspects of service delivery that initially did not go well and needed to be modified. Nevertheless, these issues were seen as 'the usual' teething problems of bedding down new policy initiatives and were not specific to income management.

Some, however, felt that the process seemed somewhat rushed in the beginning. Reflecting the comments from staff involved in the planning and development of policies and processes, staff 'on the ground' also reported that

there was a period where things changed 'from day to day' as policies and procedures were refined.

Some Centrelink staff also felt that more training could have been provided. This is discussed in more detail in Section 9.3.5.

Centrelink staff also reported that the periods when people in their areas were being 'switched on' or transitioned from income management under the NTER were particularly busy and stressful. This was especially the case for staff working in Customer Service Centres who tended to be the first contact point for many of the clients once they received notification that they were subject to income management.

A key aspect raised by a number of the Centrelink staff was the reaction of non-Indigenous people who had been placed onto income management. Many of these saw the program as being something that was only for people from Indigenous backgrounds. Indigenous staff reported that they found these interactions to be particularly difficult.

That was the reaction that I got from most of my customers that were transitioning to income management... I'm Indigenous myself and when they're like I'm not black and I don't drink and I don't smoke, you're kind of like well I don't do either of that. I don't drink and I don't smoke. I don't gamble. I've got a kid and I'm working full-time.

Centrelink Customer Service Adviser

DCF staff also noted that the initial implementation of the Child Protection Income Management had seemed very rushed within their agency, leading to a pause in its implementation a month after its introduction to allow for the policy to be further refined.

We were told in June that we virtually had to come up with a brand new program. Fortunately we had Western Australia to go to for help. They were very very helpful to us in terms of resources and consultation. So we were told in June that this had to happen and implement it in September...

DCF child protection staff member

Five of the seven staff interviewed also commented on a lack of consultation around its implementation within the Department.

It just popped up. We were sent to training, did all the training on how to do it and then virtually as soon as it was up and running, we were told to put it on hold again and then all of a sudden, we were told it was okay again. No consultations about anything.

DCF child protection staff member

Implementation issues in terms of the rollout were not discussed in great detail by money management and financial counselling staff. This is probably because these service providers are not directly involved in implementing income management as a program, and a view that most of the people they worked with were already on some form of income management anyway.

As has been discussed in Chapter 7, the main focus of implementation for money management and financial counsellors was around the content of the Money Business course and the service expected of them.

Referrals were also a significant problem noted by both money management workers and financial counsellors in the interviews. The content of the courses and referral issues have been discussed in detail in Chapter 7.

In addition, comments were made about the levels of training provided to workers. These are discussed in greater detail in Section 9.3.5.

9.3.2 Information provided to clients about NIM and their understandings of NIM

The survey of Centrelink staff asked about the extent to which they agreed or disagreed with a series of questions about the adequacy of information provided to people on income management. This included: whether their clients understood why they are on income management; and the extent of their clients' understanding of various aspects of the operation of income management. Table 9-6 shows the responses of Centrelink staff to these questions.

Table 9-6 Centrelink staff perceptions of how well clients are informed about and understand income management

Perception of understanding	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Total
			- % -		
Clients are given adequate information about why they are on new income management	19	62	14	5	100
Clients have a good understanding about why they are on new income management	10	55	28	6	100
Clients are given information about their rights in regard to new income management	21	60	14	5	100
Clients are aware of the appeal processes and advocacy services (e.g. Welfare Rights Centre) available to them	13	50	31	7	100
Clients are given adequate information about how income management works	22	62	13	3	100
Clients have a good understanding about how they can manage their income managed funds	18	55	21	6	100

Notes: 128 respondents. The proportion of 'can't say/don't know' responses ranged from 2 per cent to 4 per cent for these items. These responses are excluded from this table.

Source: Survey of Centrelink staff 2011.

The majority of Centrelink staff interviewed either strongly or mostly agreed that people subject to income management were given adequate information about:

- how income management works (84 per cent agreement)
- their rights in regard to income management (81 per cent)
- why they are on new income management (81 per cent)
- how they can manage their income managed funds (73 per cent).

While there was general agreement that people subject to income management had adequate information and a good understanding of income management,

the Centrelink staff were much more likely to 'mostly agree' than to 'strongly agree' with the statements.

There was less agreement on the extent to which their clients understood why they were on income management (66 per cent agreed) and whether people were aware of the appeals and advocacy processes available to them (59 per cent).

Despite these overall high levels of agreement by Centrelink staff that the provision of information to their clients was adequate, these results suggest that there is scope for some further development in this area. In particular, the level of 'strong agreement' was low, and other data from respondents and from the qualitative data suggest that there continues to be less than optimal understanding of the income management program by many of those subject to it.

The survey of Centrelink staff also asked about the usefulness of a range of approaches to enable people to better understand how income management works. More than half of Centrelink staff who responded to these items reported that talking to their clients about the benefits of NIM (53 per cent) and talking about changing the way they allocate their income management funds (52 per cent) were greatly useful approaches (Table 9-7).

Table 9-7 Usefulness of approaches used by Centrelink staff to help clients better understand income management

	Not at all	A little	Moderately	Greatly	Total
	- % -				
Talking to the client about the benefits of New Income Management	2	16	29	53	100
Talking to the client about how they are finding New Income Management	4	16	38	42	100
Talking to the client about changing the way they allocate their income management funds	2	9	38	52	100
Referring clients to money management and financial counselling services	29	33	25	13	100
Referring to other support services	13	42	32	12	100

Notes: 128 respondents. The proportion of 'have not used these approaches' responses ranged from 2 per cent to 5 per cent for these items. These responses are excluded from this table.

Source: Survey of Centrelink Staff 2011.

Centrelink staff regarded referring clients to money management and financial counselling services as being the least useful approach (13 per cent reported this as being very useful and 25 per cent as moderately useful) compared to the other approaches listed in the survey.

9.3.3 Working with clients during the NIM implementation period

Centrelink staff often reported that they had experienced strong reactions from people who were new to income management. They interpreted this as being because these people had little understanding of income management. Hence, these negative responses were generally perceived by these Centrelink staff as an initial reaction that could be overcome by working with people new to income management to improve their understanding of what it involved and its potential benefits.

At first they think that the 50 per cent that goes to Income Management they can't get. Once you explain to them you can get it, you just can't use it on certain items they are sort of fine with it. They pretty much get the gist.

Centrelink Customer Service Adviser

The majority of our customers want to stay on it like I've seen quite a few that want to stay on it. I guess the in town customers are the ones that aren't used to having their - income managed are the ones that will kick up a stink about it.

Centrelink Customer Service Adviser

The issue of client responses when transitioning to NIM from NTER is discussed in detail in Section 9.3.4.

Centrelink staff generally were of the view that it was important to work with their clients in the initial stages of NIM to assist them to understand the policy and how they could make it work.

A lot of the job involves education, educating them what it's actually for, why it's being done and how to best use it.

Centrelink Customer Service Adviser

Discussing the concept of income management and why they're on income management explaining the specific criteria behind the measure that they're on. That can be a little difficult sometimes.

Centrelink Customer Service Adviser

Many of the Centrelink staff interviewed were strong advocates of the benefits of the policy in cases where people's allocations were set up correctly and reflected their household's needs. They reported that they viewed doing this properly was important both for their acceptance of income management but also to allow people to get the best out of the policy as well.

I guess the idea is they set up all their expenses and they try to put as much as possible into income management so they get maximum amount of discretionary funds in the bank.

Centrelink Customer Service Adviser

You can have the measure applied in that it continues to allow exploitation. Or you can have the measure applied in terms of how you allocate that actually mitigates the likelihood of someone being exploited, or improves their ability to manage their money.

Centrelink Customer Service Adviser

A large proportion of Centrelink staff interviewed believed that people were able to see the benefits after having experienced being on income management for a while.

A lot of people did have a problem with it at first. But there are a lot of advantages to it and I think a lot of people have changed their minds about it. We've even had positive feedback from customers who have been put on income management.

Centrelink Customer Service Adviser

However, some Centrelink staff also reported having clients who felt that their rights were being violated by being subject to income management, others who felt that being compulsorily income managed was unfair when they had always managed their money well, and others who had experienced a sense of shame from being on income management. These responses from people subject to IM were also reported by staff from money management and financial counselling services, as well as some stakeholders who participated in the consultations. This was also one of the major concerns raised by people subject to income management in the LSNIM survey.

9.3.4 Transitioning people from NTER IM to NIM

Centrelink staff reported a mix of reactions from people who had previously been subject to income management as part of NTER. Overall, most reported that those people who had been on income management during the NTER and were then subject to one of the compulsory measures were usually 'accepting' being transitioned to NIM. Some were surprised at how many people who were no longer required to be income managed as part of NIM opted-in to Voluntary Income Management. Some Centrelink staff interviewed interpreted this as a client's belief that that they had benefited from income management under the NTER and thus wanted to continue being income managed. However, other Centrelink staff interviewed suggested that the reasons were more complex than this.

I would say that the vast majority of customers were indifferent to the changes because you're talking about the major client group were already income managed under the NTER, so to them you're talking about semantics. "It's not compulsory any more for you. Do you want to stay on it? Yeah? Okay, great. So the majority of people responded really positively to yeah I want to stay on it." Questions about trying to elicit what was good about it and why they wanted to stay on it. The pragmatism of the client group it was like well it means I can eat more. Really basic essential needs were being met and that was repeated on many occasions.

Centrelink Social Worker

It's hard to know why they choose to stay on. It might be the BasicsCard. But for lots of people staying on it, it's a way of life for them, it's easy to have someone look after it all for you.

Centrelink Manager

As reflected in the above quote, many of the Centrelink staff interviewed reported that they believed that many people had chosen to stay on income management because it allowed them to have continued access to the BasicsCard. This issue has been discussed in more detail in Chapter 6.

This view of 'acceptance' by people who were transitioning from NTER IM was challenged by many of the money management and financial counselling staff, as well as most of those who participated in the stakeholder consultations. These groups queried how clearly the options had been explained to people transitioning from NTER. Although it was also suggested by this group that the level of 'acceptance' was increasing, this was often done with an implication that resistance was being worn down, rather than people embracing the policy.

They said 'alright, now you're coming off compulsory income management we've deemed you fit to come off compulsory income management. What would you like to do?'It doesn't actually leave a lot of time for people in community to actually have - create or get a clear understanding of what's being said. Aboriginal people will nod when you're talking to them. We think they're saying yes. No they're saying I'm hearing you but I haven't come back with an answer for you yet but I'm listening to you. That's what nodding is. But we go oh good, okay, done. Then before they know it their world's changed.

Money management provider

As discussed earlier in the report (Chapter 7), there was also a sense amongst money management workers and financial counsellors that a large part of the appeal for remaining on income management for this group was maintaining access to the BasicsCard.

In the context of NIM, many of the Centrelink staff viewed the expansion of income management beyond the communities prescribed by the NTER as being a very positive step, as it made income management inclusive of everyone and not just for people from Aboriginal and Torres Strait Islander backgrounds.

It was a relief for us. The NTER had its problems in the perception of racism because, let's face it, if you have to suspend the Discrimination Act to do something you're probably doing the wrong thing or implementing it the wrong way. That led to a vast perception in the community that was inherently racist and a big us and them of, oh that's for a black fella. Why do white fellas have to worry about it?

Centrelink Customer Service Adviser

However, staff from money management and financial counselling services and DCF child protection staff saw NIM as still primarily impacting on Indigenous people. They did not see the transition from NTER IM to NIM as having any real impact on shifting the focus of income management from Indigenous people to the income support population more broadly. To some extent this may also reflect that, for most of the practitioners interviewed across these service types, their clients were primarily from an Indigenous background.

9.3.5 Staffing and training issues

Most of the respondents to the survey of Centrelink staff said they had received enough information/training about NIM to be able to do their jobs. Only 3 per cent of respondents said they did not receive enough information or training (Table 9-8).

All respondents to the survey were asked what other training they would have liked. Fifty two respondents provided suggestions for additional training and/or information including: regular refresher training; assistance navigating the IT systems such as e-ref; ideas about how to work with difficult clients; financial management; exemption issues; and working with vulnerable customers.

A number of respondents commented on the nature of the training saying they would like it to be more often provided face to face and that it should take more account of the experience of people working directly with clients.

Table 9-8 Centrelink staff reports whether they had received information and training about NIM

Whether received training	Responses
	- % -
Yes, fully	75
Yes, partially	22
No	3
Total	100
Number of respondents	128

Source: Survey of Centrelink Staff 2011.

The qualitative interviews with Centrelink staff generally reflected the positive results in the survey around the provision of information and training of staff.

Yeah look the support in Centrelink is generally quite good. We've received a lot of good training with regards to the new income management measures.

Centrelink Customer Service Adviser

Well I think the training was well received. I guess the one fault that we do have with Centrelink is we'll often get the training months before an initiative rolls out, so by the time we actually get around to delivering the services we've sort of forgotten what we learned in training a few weeks ago... We've had several refreshers as well since it all came in. I think you continue to need that because it changes.

Centrelink Customer Service Adviser

DCF child protection staff were generally critical of the training they received. This tended to reflect comments about the implementation more broadly; key issues included concerns about the process being rushed, and the lack of consultation with staff in the lead up to the implementation.

[We needed] a lot more preparation around, this is what we're looking at to be doing and this is what we hope to achieve by introducing this. A lot of consultation and telling us about that because just suddenly out of the blue you attend training, there's a lot in it too. I mean, the ramifications of income management are huge on families. I think people need to have time to absorb all that information and have a really clear understanding of it.

DCF child protection staff member

It was also reported that many staff members expressed ethical objections to income management. Some of these – particularly those in leadership roles – did not attend the training prior to the implementation of the policy.

We didn't get many team leaders or managers, so you've just got pockets of people who know about it and pockets of people that don't know about it and people who chose not to come, because they have an ethical - moral, whatever the word is - stance, political stance against it. I'm never going to use it, so I'm not going to learn the training.

DCF child protection staff member

The comments around training of money management and financial counsellors focused on two key themes. The first was related to the training provided to staff about the approved Money Business course. As discussed in Chapter 7 this tended to focus on dissatisfaction with the content of the course and its relevance to the communities and people that they were working with.

The second theme was that staff in money management services needed more training in areas such as numeracy education and recognising and working with some of the more complex issues that are also important and current for their clients.

So there's a lot of different stuff that they need to start training your workers properly. Because you're not just dealing with money management, you're dealing with a lot of social issues; you're dealing with a lot of emotional issues. You've got abuse issues; you've got substance abuse issues, all this other stuff that's in these people. It's not all straight up.

Money management service provider

Literacy & Numeracy Training should be made available to all money management program staff. More resources should be made available to engage the participants and keep them encouraged to remain in the program.

Money management service provider

Almost all of the Centrelink staff who completed the survey (99 per cent) said that they had the relevant tools to work with people subject to income management.

Table 9-9 Whether Centrelink staff have relevant tools to work with income management clients

Whether have adequate tools:	Responses
	- % -
Yes, fully	71
Yes, partially	27
No	2
Total	100
Number of respondents	128

Source: Survey of Centrelink Staff 2011.

In the qualitative interviews most respondents had little to say about the tools they had available. The exception to this was money management workers who had strong views about the efficacy and appropriateness of the approved Money Business course that they were expected to deliver to clients. These concerns have been discussed in detail in Chapter 7.

9.4 Availability and capacity of services

The survey of Centrelink staff included a question which asked them to indicate their capacity to refer their clients to suitable services to address a range of issues.

Centrelink staff were most likely to agree (strongly or mostly) that they were able to refer people to services to:

- improve their job skills (70 per cent)
- assist with housing issues (69 per cent)
- improve their money management skills (65 per cent)
- assist with children's school attendance issues (61 per cent).

Other services that Centrelink respondents were able to refer clients to included:

- assistance with gambling issues (37 per cent)
- services to improve clients' understanding of health and hygiene (37 per cent)
- parenting skills (38 per cent)
- assistance with children's developmental issues (46 per cent).

The overall pattern of responses to the items presented in Table 9-10 suggests that there is a gap in service availability for some people in need of assistance beyond income management.

This perception by Centrelink staff of a gap in services was strongly supported by participants in qualitative interviews with Centrelink staff, child protection workers, and money management and financial counselling service providers. A lack of appropriate available services was seen as a significant barrier to working with people to address the issues that may have led to them being subject to income management in the first place.

Table 9-10 Centrelink staff perceptions of availability of different service types to assist their clients

I am able to refer clients to suitable services...	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Total
			- % -		
To improve their money management skills	18	47	20	15	100
To improve parenting skills	7	31	39	23	100
To improve their understanding of health and hygiene	8	29	40	23	100
To improve their family relationships	8	37	36	19	100
To assist with drug and/or alcohol issues	13	39	34	15	100
To assist with mental health issues	10	42	32	16	100
To assist with family violence issues	8	42	34	15	100
To improve their job skills	18	51	21	10	100
To assist with gambling issues	14	22	41	22	100
To assist with housing issues	12	57	19	12	100
To assist with children's school attendance issues	17	44	28	11	100
To assist with children's developmental issues	12	34	38	17	100

Notes: 128 respondents. The proportion of 'can't say/don't know' responses ranged from 5 per cent to 23 per cent for these items. These responses are excluded from this table.

Items where there were 20 per cent or more of 'can't say/don't know' responses included 'to improve parenting skills', 'to improve their understanding of health and hygiene', 'to improve their family relationships', 'to assist with gambling issues' and 'to assist with children's developmental issues'.

Source: Survey of Centrelink staff 2011.

The participants in the qualitative interviews reported that in their view there are not enough services on the ground. The lack of services was seen as being most severe in remote communities, but was also an issue in non-remote areas. Issues such as services only visiting a community once every few months and clients needing to travel long distances to access services, were raised in the participants' interviews and have long been recognised as problems.

Currently I don't believe we have the support services to refer people to for the ongoing stuff that they need.

DCF child protection staff member

There's not a lot of organisations who offer those sorts of services to parents to seek those exemptions.

Centrelink Customer Service Adviser

Travel is a big issue. Some clients have problems getting here.

Financial counsellor

Staff from Centrelink, child protection workers, money management and financial counsellors frequently commented that they had many clients who they viewed as having multiple and complex issues that needed a coordinated response. This was seen as being particularly important as these clients were often described as needing to attend multiple services to have their needs met and to address the issues that may have led them to be subject to income management. This was reported as imposing a significant burden on families who were already struggling with aspects of their lives. Respondents also indicated a view that even where some specific services were available,

services that had the capacity to work with individuals to address the complexity of their needs were not.⁸⁹

I think there should be an intensive family support program...I think we need a broader program that covers much more than just our issues.

DCF child protection staff member

If you expect them to attend other services, it's not going to happen. They're in a crisis in their life...they need people to actually come to them and start the process.

DCF child protection staff member

Appropriateness of service delivery was also a strong theme in regard to money management services where workers reported that their services were not able to address some of the more basic and intensive needs in order to assist their clients to move off income management.

I really believe in order for people to be helped on the sort of level that we're trying to achieve, it's not just like tailoring people's finances but paving their whole lifestyle, from home right through. It's not something that you can just get in there once off, it's something that, in reality, is going to probably take generations and a lot of consistency to change.

Money management service provider

Another theme in the qualitative interviews related to the ways that services work together to address the needs of their clients. There was a mix of views and experiences in regard to this theme. Some respondents talked about a lack of cooperation between services. In the discussions a number of factors were suggested as contributing to this lack of cooperation, including: the competitive nature of funding models; the tendency to work in silos; and the difficulties in being able to share information.

There's a lack of support services ... we've raised that there's a lack of support services that are connected up with one another. Service providers from my one eyed view seem to be working in isolation of one another. I may be wrong but that's what I get.

DCF child protection staff member

However, there were also accounts of positive working relationships between service providers to work with people subject to income management.

9.5 Comments on different income management measures

This section considers the views of the different service providers about each of the income management measures. While most of the information used here is drawn from the qualitative interviews, some survey items about the reasons why people may choose to go on to Voluntary Income Management are also discussed.

⁸⁹ While the Commonwealth has funded an Intensive Family Support Service in the Northern Territory that commenced operation in 2011, this service is not available in all locations.

Overall, across the service types, views varied according to the type of income management being discussed. Most participants saw Voluntary Income Management as a potentially positive measure. However, views about the compulsory measures (Child Protection Income Management, Vulnerable Income Management and Compulsory Income Management) were more mixed.

9.5.1 Voluntary Income Management

The survey of Centrelink staff asked respondents to indicate the extent to which they agreed with a list of reasons why they thought people choose to go onto Voluntary Income Management (see Table 9-11).

Table 9-11 Centrelink staff views about why people go onto Voluntary Income Management

	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Total
	- % -				
They have been on voluntary income management before	16	64	14	7	100
They have been on another type of income management before	35	54	7	4	100
To avoid humbugging	29	51	15	5	100
To save money	16	48	28	9	100
They have heard positive things about it	15	56	20	8	100
They would like to access the BasicsCard	48	43	6	3	100
They would like to access the voluntary income management incentive payment	19	41	31	10	100
To make sure there's enough money available for children's needs	17	64	16	3	100
To make sure there's enough money to pay the rent	13	49	28	10	100

Notes: 128 respondents. There was one missing response to this question. The proportion of 'no Voluntary Income Management clients' responses ranged from 2 per cent to 5 per cent for these items. These responses are excluded from this table.

Source: Survey of Centrelink Staff 2011.

Centrelink staff overwhelmingly strongly or mostly agreed with the statement that people choose to go onto Voluntary Income Management because they 'would like to access the BasicsCard' (91 per cent mostly or strongly agree). This was followed by 'they have been on income management before' (35 per cent strongly agree and 54 per cent mostly agree). While this is not directly a reason to choose Voluntary Income Management, it is consistent with the data presented in Chapter 10 that some people on NTER IM became used to being income managed and therefore almost by default chose to go onto Voluntary Income Management.

Other reasons commonly cited included: avoiding humbugging; ensuring there was enough money to meet the needs of their children; and hearing positive things about it. Around 60 per cent of Centrelink staff also agreed that saving money, having enough money to pay the rent, and accessing the incentive payments were reasons people choose to go onto Voluntary Income Management.

Respondents were also able to nominate other reasons why people might choose to go onto Voluntary Income Management. The 32 responses provided included:

- obtaining a BasicsCard which provides fee free banking services (see Chapter 6)
- assisting people to control their finances and pay for essentials such as food, and to make their money last for the fortnight
- that family and friends influence their decisions.

There was also much discussion about Voluntary Income Management in the qualitative interviews. This centred around two key themes. The first, as discussed in regard to the transition to NIM from NTER (see Section 9.3.4) was the extent to which Voluntary Income Management is actually voluntary. Where Voluntary Income Management was seen as being truly voluntary, most respondents supported this approach. It was seen as providing people on very low incomes with assistance in making ends meet.

In the big picture it is helping people because they are surviving on minimal amounts of money to survive and to have money for the kids.

Financial counsellor

Voluntary Income Management was also seen by social workers, counsellors and child protection workers as a preferable approach to the compulsory measures. This can be interpreted as fitting in with the broad philosophies of their disciplines that sought to allow clients to have autonomy and decision-making capacities. In cases where a compulsory measure was being considered for a client, many reported that they sought to encourage people to choose Voluntary Income Management in the first instance. If their client refused or they tried Voluntary Income Management and it wasn't working as hoped, the practitioner would then consider the appropriateness of the compulsory options.

Voluntary payments are a better way to empower women, stop taking their decision making away.

DCF child protection staff member

We would prefer and I haven't met a social worker who works for Centrelink who has also not preferred voluntary as the first measure which we've always appreciated...Generally overall it's more a positive response, pretty welcoming with the idea. In the discussion, we'd probably highlight the incentive payment.

Centrelink Social Worker

As indicated in the quote above, the incentives paid as part of Voluntary Income Management were also seen as being a bonus for people subject to income management and some Centrelink staff gave examples of people who had successfully applied for exemptions but then chosen to go on to Voluntary Income Management to allow them to access the incentive payments.

There's one lady - she's brilliant - absolutely brilliant - she's an Indigenous lady, Parenting Payment Single, Family Tax Benefit, had kids, applied for the exemption, got the exemption and went on Voluntary Income Management to get the incentive payments.

Centrelink Customer Service Adviser

As discussed in Chapter 6, the popularity of Voluntary Income Management was also linked to the desire of many clients to access the BasicsCard.

9.5.2 Child Protection Income Management

As discussed in Chapter 2, the Child Protection Income Management measure involves quarantining 70 per cent of clients' incomes. In the first instance, child protection workers identify families as being suitable for the measure. The worker also decides on the period of time for which the family member will be income managed through the child protection measure. A referral is then made to Centrelink who contacts the client and arranges to set up their income management allocations.

Child protection workers participating in the interviews expressed mixed views about the value of Child Protection Income Management. All seven participants described it as a case management tool that could be of use for working with families where child neglect was an issue.

The Child Protection Income Management measure is a case management tool that child protection workers can use - one of a range of case management tools that they could use to assist a family get back on its feet.

DCF child protection staff member

Its primary purpose is around child protection cases where the issues for the children are around neglect or abusive or another source due to the parents' mismanagement of their income. But I could also see that there would be abuse cases where the money's going on alcohol and then you've got the violence that goes with that, or gambling issues.

DCF child protection staff member

However, while acknowledging the potential for it as a tool, there was diversity in thinking amongst practitioners about whether it was a tool that should be a regular part of their practice or something to use 'as a last resort'. In one office where interviews were conducted, the manager spoke about actively encouraging the use of Child Protection Income Management as part of everyday practice when working with neglect cases.

We've adjusted our practices to suit our type of work. Now we're saying that any notification that comes into the system that is substantiated for either neglect, serious neglect, failure to thrive, drug and alcohol or gambling issues, they automatically become referrals for income management.

DCF child protection staff member

In another office, the manager had a different view, with staff encouraged to see Child Protection Income Management as a measure of last resort.

I guess it's designed to actually ensure that families get money for food. I guess its intent was to help reduce neglect issues with children and families. I guess it's just one more tool that's available for child protection workers to make use of... It's also a very intrusive, it's exceptionally paternalistic, ... it really is a tool of last resort after many other interventions have been tried.

DCF child protection staff member

As discussed in Chapter 2, a small number of referrals have been made to Centrelink for Child Protection Income Management. Child protection staff who participated in interviews identified a number of factors that they felt could be influencing this relatively low referral rate.

When clients are referred to Child Protection Income Management, their case is required to stay open and active for the period that the family member is being income managed under the measure. Child protection staff believed that these cases would not normally be active if they were not subject to Child Protection Income Management. They were concerned that this would significantly increase their caseloads and prevent them from working with other families with more significant needs.

So for our workers actually where they might have closed a case after four weeks, because it's neglect... they're now having to keep it open longer. So it's actually considerably more work. That doesn't mean it's necessarily negative.

DCF child protection staff member

One of the problems will be the expectation that we keep our cases open for that length of time whilst this goes on. Now, that's in direct contradiction to all the pressure that we receive to achieve through-put with our child protection cases.

DCF child protection staff member

Part of the concern also related to what resources were available to work with families subject to Child Protection Income Management during the time they are being income managed. There was a sense that income managing people, without providing these services, had little value.

The problem is the services that are available to support these is extremely limited...If we had services to work with them over a period of six to 12 months, then the outcome would be considerably better but without the services in there, it's just punishment.

DCF child protection staff member

If we're going to take people's money off them and manage it we must have the programs to refer them to so that they do get the education and the knowledge and the capacity to actually change their lifestyle and be able to go on and do that themselves once they get full access to their income again.

DCF child protection staff member

However, if they did not continue to actively engage with families on Child Protection Income Management, they felt that they were at risk of being blamed

if something 'went wrong' within these families. These service providers frequently expressed a preference that Centrelink social workers should take ongoing responsibility for managing the income management aspect of these cases, once a referral was made and all other child protection issues have been resolved. It was also suggested that having Centrelink involved, rather than DCF child protection staff keeping the case within the child protection system when all other child protection issues have been resolved, may be a preferable pathway for people who are subject to income management.

I think the clients probably prefer to be working with Centrelink and the family support services than have us in their face all the time. I mean, nobody likes us... I think clients would much prefer to work with Centrelink and the supporting services than have child protection workers on their doorstep and in their lives for the next six or 12 months. That's a long time for us to be on people's doorsteps.

DCF child protection staff member

As discussed above, there was also a strong preference amongst child protection practitioners to have clients choose Voluntary Income Management rather than be subject to Child Protection Income Management. This seemed to be the primary barrier to practitioners making referrals to Child Protection Income Management. Most interview respondents also noted that most of the families they engaged with were already on some form of income management prior to engaging with them.

We try to get them to voluntarily go in and even more we try and get them to do the Centrepay type stuff... which really is about trying to get people to voluntarily improve their situation as opposed to – "okay, we're going to do this to you"

DCF child protection staff member

I think the preference would be if people would volunteer, like go voluntary with it, makes it easier to work with.

DCF child protection staff member

9.5.3 Vulnerable Income Management (Vulnerable Welfare Payment Recipients Measure)

Vulnerable Income Management is a compulsory form of income management applied after an assessment made by a Centrelink social worker. These assessments are based on indicators of vulnerability such as financial hardship; financial exploitation; failure to undertake reasonable self-care; or homelessness or risk of homelessness (see Chapter 2 for a more detailed explanation of the assessment process).

Centrelink staff reported that they considered most of the clients who were subject to Vulnerable Income Management had current or previous alcohol or drug issues, which may have also led to forms of brain injury. The other group likely to be subject to Vulnerable Income Management was the very elderly.⁹⁰

⁹⁰ In October 2011 32.7 per cent of those on the vulnerable measure (for whom date of birth information was available) were aged 65 years and over, 18.8 per cent were aged 75 years or over.

These groups were seen to need a lot of support to ensure that they were able to meet their basic needs around having enough food. Many of the people in this group did not have stable housing. The measure was also seen as giving a halfway house between doing nothing and proposing guardianship arrangements for many, particularly vulnerable people.

Yes, a lot of DSP [Disability Support Pension] customers that are indigenous that are very alcohol dependent. Being put on a BasicsCard for Vulnerable measure has been really good for some of them. They're not as drunk most of the time when they come in. We can book a night's accommodation for them and pay for it from income management for them to sleep under a roof for the night.

Centrelink Customer Service Adviser

As discussed in Chapter 6, one aspect of income management that was identified by Centrelink staff as being particularly useful was the ability to have small amounts of money allocated to people's BasicsCard on a daily basis. This is seen to protect clients who have their cards lost or stolen on a regular basis or to minimise the amount of money available on the card for another person to make use of.

We can even set up daily allocations to the BasicsCard. So for those really vulnerable customers they can get like you know \$25 a day which is obviously beneficial.

Centrelink Customer Service Adviser

People subject to Vulnerable Income Management were likely to have very regular interactions with Centrelink – checking their balances, seeking replacement cards and asking for more money to be put on their cards for food or other needs. While many Centrelink staff reflected on the extra workload this had brought to their offices since the introduction of income management, it was also seen as an opportunity to be able to work with these clients on other issues and needs when they came in for income management related assistance.

It's mainly our vulnerable customers that we get in, like on an everyday basis, for replacement BasicsCard and income management enquiries ... [and] Yeah, on a daily basis to check their BasicsCard and things that I guess vulnerable customers wouldn't over the phone.

Centrelink Customer Service Adviser

Now I know that that's not very cost effective for the organisation but that's the way it is unfortunately.

Centrelink Customer Service Adviser

As discussed in section 9.5.1, Centrelink social workers expressed a preference for these people to choose Voluntary Income Management rather than Vulnerable Income Management to allow for the person to have a greater sense of control over their lives. However, many Centrelink staff noted that in some cases this was not always possible.

I think very few customers I work with actually have the [vulnerable measure] applied. They're Voluntary Income Management customers who

are well supported by Voluntary Income Management arrangements. If the person has elected to exit from Voluntary Income Management I would have serious concerns for their capacity to maintain adequate self-care and not be extremely vulnerable.

Centrelink Social Worker

Few money management workers, financial counsellors or DCF child protection staff spoke about people subject to Vulnerable Income Management in their interviews. Where this measure was mentioned, it was seen to be useful as long as it was applied in a way that addressed people's vulnerabilities in the longer term. Like Centrelink staff, there was also a preference to give their clients the choice to try Voluntary Income Management before trying Vulnerable Income Management.

9.5.4 Compulsory Income Management

A description of Compulsory Income Management is in chapter 2. In contrast with the Voluntary Income Management, Child Protection Income Management and Vulnerable Income Management measures discussed above, it involves income management being imposed on a group of people solely on the basis of aspects of their income support receipt, not as the result of any assessment of their need or their choice.

The Compulsory Income Management measure was the measure that was least supported by both Centrelink staff and money management workers and financial counsellors. While, as detailed in Table 9-14, only a small group of the Centrelink survey respondents reported that they viewed income management as a punitive measure, a more diverse set of views emerged in the qualitative interviews. In these many said that they thought it was a punitive measure and that it created hardships and a sense of shame for people who were subject to Compulsory Income Management measures. Those who expressed this view tended to think that Voluntary Income Management could be a positive tool for some people, but generally viewed Compulsory Income Management as not addressing the key issues for people who experienced multiple types of disadvantage and who were trying to live on what they viewed as being very low incomes.

I don't think the purpose is to be punitive. But I think for people on Newstart, you have to ask why long-term welfare recipients on Newstart are involved, other than perhaps a punitive measure. Because there's no vulnerabilities except I'm unemployed. I think with the long-term of - like with parents - you could say it is to nurture and support and protect children. Vulnerable welfare would be the most relevant to that community and Child Protection Income Management the same. Voluntary Income Management was about giving people options. The long-term welfare recipient for the Newstart recipients I'm not so sure.

Centrelink Social Worker

Respondents across the different service types also suggested that, while there were people in the compulsory group who were benefitting from income management, there were also many who were not. There was support for a more targeted approach, which was seen as being better for their clients, as well as a better use of resources.

I don't know so much about that (CPIM). I'm in favour of a more targeted income management approach, like place based income management. It would be better in the Northern Territory to have a more targeted approach. We waste quite a lot of effort on that customer group when others that are more vulnerable need our help.

Centrelink Manager

The long-term and disengaged measures are all about participation. But the only participation that is encouraged is through exemptions. Not to get a job. Income management is about targeting specific issues. Like the Cape York Trial. It should be specific.

Centrelink Manager

This theme was also echoed in the survey with Centrelink staff where 68 per cent of respondents agreed with the statement that 'for some people, NIM is not useful as they are already able to manage their incomes well'.

However, a smaller group of respondents viewed this measure as being part of a suite of policies that sought to encourage long-term unemployed people to seek work.

It depends on the objectives. Income management doesn't help someone to get a job. It's an incentive to get a job.

Centrelink Manager

9.6 Views of the impact of income management on clients

The survey and interviews included questions about the perceived impact of income management on people who were subject to the measure.

As part of the online survey, Centrelink staff were asked for an assessment of the impact of income management on wellbeing including:

- financial wellbeing and management skills
- general health and wellbeing
- community and family wellbeing.

9.6.1 Centrelink staff perceptions of the impact of income management on clients' financial wellbeing and management skills

The structure of the questions was such that respondents could report whether NIM had led to an improvement or deterioration in financial management of people subject to the measure. Overall, most Centrelink staff who responded to the survey reported that they had observed an improvement (27 per cent reported a large improvement, 39 per cent a moderate improvement and 23 per cent a small improvement), with around six per cent considering that there had been no change and another six per cent that there had been a deterioration in financial management amongst these clients.

This general question was complemented by more specific questions on aspects of financial management and wellbeing. These are reported in Table 9-12.

Table 9-12 Centrelink staff perceptions of the impact of NIM on aspects of their clients' health and wellbeing

	Highly negative	Negative	Neutral/ no material impact	Positive	Highly positive	Total
			- % -			
Ability to pay essential bills	1	0	7	64	28	100
Ability to spread spending across the fortnight to meet basic needs	1	6	39	38	16	100
Ability to purchase 'big ticket' items (e.g. white goods, televisions, holidays)	1	4	26	57	12	100
Ability to deal with unexpected expenses (e.g. medical expenses)	1	4	36	40	18	100
Ability to resist humbugging	1	7	44	37	11	100

Notes: 128 respondents. A small number of respondents said that one or more of the questions was not applicable to them (a maximum of 1 per cent for any particular item were not applicable). In addition, the proportion of 'Don't know/not enough evidence' responses ranged from 11 per cent to 18 per cent for these items.

Source: Survey of Centrelink Staff 2011.

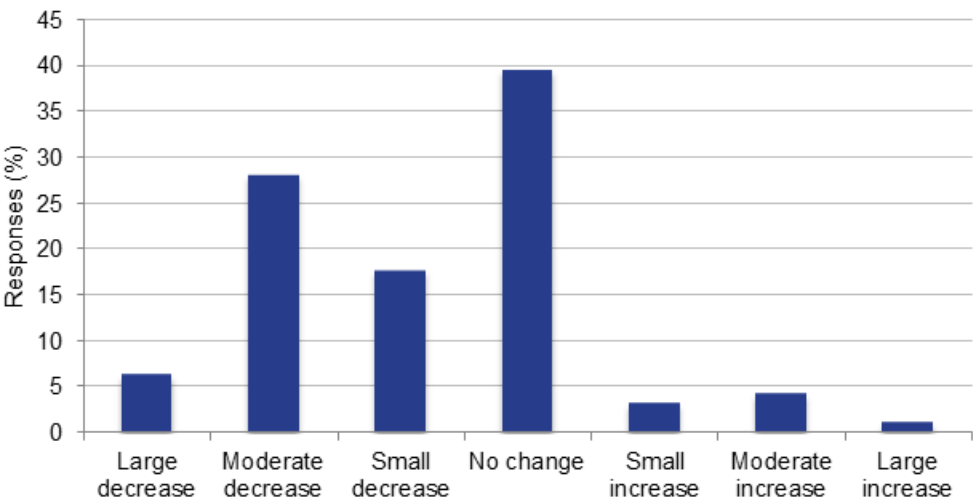
Here again, Centrelink staff were very positive in their assessments of the impacts of income management on their clients' financial wellbeing. Over 80 per cent reported that income management had had a highly positive or positive impact on clients' abilities to pay essential bills and to spread their spending across the fortnight to meet their basic needs. Over 70 per cent of staff reported positive impacts on their clients' ability to purchase 'big ticket items' and to resist 'humbugging'. Staff tended to be less positive about the ability of clients subject to income management to deal with unexpected expenses, with only 51 per cent providing a positive response to this item.

In addition to the financial aspects of wellbeing cited in Table 9-12, 23 respondents also noted other financial impacts on clients. These included:

- the ability to avoid financial harassment
- the ability to have daily or weekly spending allocations
- an increased dependence on Centrelink.

Another indicator of how income management is impacting on the financial wellbeing of people subject to IM is the extent to which they are seeking emergency relief, emergency appointments and other financial crisis support. As indicated in Figure 9-1, most (52 per cent) Centrelink staff responding to the survey reported that they believed NIM had led to a decrease in the number of times people seek such support. However 40 per cent of respondents noted no change in the numbers of people seeking financial crisis support and just over eight per cent reported an increase.

Figure 9-1 Centrelink staff perceptions of how often clients seek financial crisis support



Notes: 128 respondents. 24 per cent respondents gave a ‘don’t know’ response and 1 per cent said ‘too early to say’. They are excluded from this figure.
Source: Survey of Centrelink Staff 2011.

9.6.2 Centrelink staff perceptions of the impact of income management on clients’ general health and wellbeing

Table 9-13 sets out the responses from Centrelink staff to the questions around general health and wellbeing. Almost all respondents reported that they were of the view that income management had had a highly positive or positive impact on the amount of food eaten (92 per cent), and Child health and wellbeing (85 per cent). Around two-thirds thought that income management had had a positive impact on the quality/adequacy of clothing (69 per cent) and clients’ physical health (62 per cent). Just over half (58 per cent) thought that income management had a positive impact upon school attendance.

While the proportion of respondents indicating they considered that there were negative impacts (highly negative or negative) for people subject to income management were low across all items, around half of the respondents indicated that there had been a neutral impact in regard to their clients’ safety, family violence and relationships between parents or household members, their ability to participate in social or cultural activities, housing conditions, mental health and educational outcomes.

Overall it appeared that Centrelink staff viewed income management as having a greater impact on children’s wellbeing than the socio-emotional wellbeing of adults.

Table 9-13 Centrelink staff perceptions of the impact of NIM on aspects of their clients' health and wellbeing

	Highly negative	Negative	Neutral/ No material impact	Positive	Highly positive	Total
			- % -			
The amount of food eaten	1	0	7	64	28	100
The quality/ nutritional value of food eaten	1	6	39	38	16	100
The quality/ adequacy of clothing	1	4	26	57	12	100
School attendance	1	4	36	40	18	100
Educational outcomes	1	7	44	37	11	100
Child health and wellbeing	1	1	14	65	19	100
Use of health services	1	3	40	46	11	100
Physical health	2	4	33	50	12	100
Mental health	2	10	43	35	10	100
Housing conditions	5	6	45	36	7	100
Safety	2	4	51	36	7	100
Ability to participate in social and recreational activities	1	3	50	37	10	100
Ability to participate in cultural activities	1	2	47	39	11	100
Gambling	7	8	36	27	22	100
Family violence	4	12	47	23	13	100
Relationships between parents or other family members	3	9	47	34	7	100

Notes: 128 respondents. A small number of respondents said that one or more of the questions was not applicable to them (a maximum of 2 per cent for any particular item were not applicable). In addition, the proportion of 'Don't know/not enough evidence' responses ranged from 12 per cent to 27 per cent for these items. These responses are excluded from this table. Items where there were 20 per cent or more of don't know/not enough evidence' responses included 'mental health', 'safety', family violence' and 'relationships between parents or other family members'.

Source: Survey of Centrelink Staff 2011.

9.6.3 Centrelink staff perceptions of the impact of income management on community and family wellbeing

A further part of the survey addressed potential broader impacts of income management on families and specific community groups; respondents were asked the extent to which they agreed or disagreed with a series of statements. These results are presented in Table 9-14.

Ninety-three per cent of Centrelink respondents agreed with the statement that 'income management allows for the income of vulnerable groups to be protected'. Similarly, 87 per cent agreed that 'income management allows for the income support payments of families with children to be directed primarily to their children's needs', 84 per cent agreed that 'income management allows women in this community to have greater control over their money', and 80 per cent agreed that NIM will 'assist families in learning to manage their household finances more effectively in the longer term'.

Most staff who completed the survey also agreed that 'there are adequate opportunities for people who wish to exempt themselves from NIM' (80 per cent). However, 68 per cent also agreed with the statement that 'for some people NIM, is not useful as they are already able to manage their incomes well'.

Table 9-14 Centrelink staff perceptions of the impact of NIM on aspects of community and family wellbeing

	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Total
	- % -				
New Income Management will assist families in learning to manage their household finances more effectively in the longer term	29	50	16	4	100
New Income Management allows for the income of vulnerable groups to be protected	42	51	5	2	100
New Income Management may increase the conflict experienced within some families	14	39	41	6	100
New Income Management allows for the income support payments of families with children to be directed primarily to their children's needs	31	57	10	2	100
There are adequate opportunities for people who wish to exempt themselves from New Income Management	26	54	19	2	100
Income management allows women in this community to have greater control over their money	47	37	13	3	100
New Income Management has removed associations within the community between race and income management	24	36	27	13	100
For some people on New Income Management, it is not useful as they are already able to manage their incomes well	24	44	27	6	100
Income management does not address the problems that lead to poor outcomes for children	14	36	37	13	100
Centrepay can be just as effective in assisting people to manage their finances effectively	14	42	33	11	100
Income management is a punitive tool	29	50	16	4	100

Notes: 128 respondents. The proportion of 'Can't say/Don't know' responses ranged from 1 per cent to 10 per cent for these items. These responses are excluded from this table.

Source: Survey of Centrelink Staff 2011.

When asked about whether NIM has 'removed associations within the community between race and income management', 60 per cent of respondents agreed with this statement.

Some aspects of NIM were also viewed less positively by respondents. Just over half of Centrelink respondents agreed with the statement that 'NIM may increase the conflict experienced within some families', and 50 per cent of respondents agreed with the statement that 'income management does not address the problems that lead to poor outcomes for children'. Furthermore, more than half (56 per cent) of the respondents agreed that 'Centrepay can be just as effective in assisting people to manage their finances effectively'.

9.7 Perceptions of impacts of NIM on specific client groups

Service provider staff who participated in the qualitative interviews were asked whether there were particular groups that would benefit from being income managed. Most Centrelink staff described income management as primarily a tool for making sure that families – particularly those with children – had enough money to meet their basic needs. Centrelink staff saw children and vulnerable adults (who they most frequently described as being elderly or people who have been cognitively impaired through drug and/or alcohol use or injury) as the groups most likely to benefit.

I see so much more customers shopping and children getting what they should be getting and going to school and receiving the meals program, lunch and things like that every day. So I think it's a good benefit.

Centrelink Customer Service Adviser

This view was also shared by a small number of staff from DCF child protection, and money management and/or financial counselling services. They reported that in their experience income management could benefit the elderly and women in the communities they worked in, and in the case of child protection, income management was a tool to assist the families of children experiencing neglect.

The good thing is that children might then be benefiting from any monies that their carer may be getting for their care. The good thing is that it stops receivers of kids' money from using that money in gambling, drinking, frittering it away issues, yeah... Yeah, that money is given to the carers or the parents or the carer for one specific purpose. To provide the essentials to that child's upbringing, health, shelter, food, sustenance, love.

DCF child protection staff member

Some groups were seen to be negatively impacted by being subject to income management. In particular, people without children who were subject to the Compulsory Income Management measure were seen as receiving little benefit from the measure and having few opportunities to exempt themselves. This has been discussed in more detail in Chapter 8. Another group, who were identified as having very few options, was those people receiving Newstart Allowance (Incapacitated). People in receipt of this allowance are experiencing ill health or disability that does not allow them to work. This group is not subject to the normal activity requirements of Newstart Allowance. However, the only ground for seeking an exemption is around working. As one social worker said:

They can't work and they can't study... They're stuck, so they're stuck and they feel that double bind I think.

Centrelink Social Worker

9.8 Views of stakeholder groups

Consultations were held with a number of key stakeholders. These were undertaken in person in several locations across the Northern Territory. The consultations focused on:

- key issues for the communities in which the stakeholders are based or work in
- the impact of income management on their clients/communities
- how effectively they see exemptions operating for their clients/communities
- other issues/unintended consequences.

Organisations that participated in the consultations were:

- Northern Territory Council of Social Service (NTCOSS), Alice Springs

- Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council
- Central Australian Aboriginal Legal Aid Service (CAALAS)
- North Australian Aboriginal Justice Agency (NAAJA)
- Northern Territory Legal Aid Commission
- The Refugee Council of Australia
- Darwin Community Legal Service.

While almost all of the stakeholders consulted expressed generally negative views, this was not always the case. Discussions with the NPY Women's Council provided a more positive assessment of NIM. They supported compulsory income management measures stating that the people who needed income management the most were those who were least likely to volunteer. Income management was seen by them as being an important way of ensuring that children were getting their needs met, and for the elderly and disabled to not have their money taken off them. The NPY Women's Council would like to have NIM extended into South Australia to cover all of the communities they represent. One concern about NIM was that in the transition from NTER, the elderly and people on disability support pensions had been taken off compulsory measures. They were concerned that this would lead to this group becoming vulnerable to financial exploitation. They also expressed a need for 'wrap around programs' that would aim to build people's capacity in the longer term to manage their own money and no longer be subject to income management.

The balance of the stakeholders who took part in the consultations expressed strong concerns about NIM. Concerns for this group primarily related to issues around how Voluntary Income Management was implemented and accessibility to exemptions. In addition, practical issues around how people were able to utilise their income-managed funds were also discussed across the stakeholder groups.

Most of the stakeholders expressed concerns about the transition from NTER IM to NIM and the large number of clients who transferred to Voluntary Income Management at this time. Many said they had 'real doubts' about the quality of conversations between Centrelink and Indigenous people. They believed that Centrelink had pushed people to stay on income management through Voluntary Income Management during these transition discussions.

There was also some concern that many people transitioning to NIM didn't really understand the differences between the two measures and that many would not have even realised there had been a change.

A number of stakeholders expressed the belief that when the transition had occurred, many people stayed on NIM through Voluntary Income Management when they heard they would lose their BasicsCard. Organisations such as CAALAS and NAAJA report that they have people coming into their offices saying that they want to get off NIM but want to keep their BasicsCard.

It was also reported by the legal services stakeholders that many of their clients don't realise they can access exemptions. Where they do make an application, it was reported that the exemption processes are hard to navigate. Having the

assessment made via the telephone was seen as a particular issue for remote clients in terms of language, but also in terms of being able to access reliable and affordable phone connections to participate in the process.

Organisations such as schools and health clinics were frequently seen as being very uncooperative in providing the necessary paperwork for parents seeking exemptions. For example, in Darwin stakeholders spoke about health clinics putting up signs saying they will not provide income management documentation.

Education department records were also not seen to be very accurate. For example, absences marked as unexplained may not have been unexplained. In other cases, parents were finding out their children had been absent from school through the exemption process. This was creating conflict between parents and children and between parents and schools.

It was reported that when exemptions are refused, some people on parenting payments feel they are being assessed as bad parents. Services were also reported to be struggling to support people in applying for exemptions. People with poor literacy or where English was not their first language were reported as needing significant support in filling out forms to access both exemptions and the evidence required. Services were struggling with this increased load.⁹¹

As discussed in Chapter 8, stakeholders also identified a mismatch between activity requirements for Centrelink payments (i.e. volunteer work for older Newstart Allowance recipients) and activity requirements for exemptions.

Many stakeholders spoke about people feeling embarrassed or shamed by having to use the BasicsCard for shopping. This was seen as a particular issue for people in more urban areas. In Darwin some women were reported as doing their shopping away from their local area because they don't want to be seen with their BasicsCard. It was suggested that some single mothers see it as providing a visible marker of being a bad parent. Similarly, some stakeholders reported that older women felt ashamed by the implications they cannot manage money or that they misuse alcohol or gamble. This problem was seen to be further exacerbated by some of the very negative media portrayals in Northern Territory about income management and the people who are on it, making it very shaming for many people.

It was also reported that some segments of the refugee population in Darwin were also finding the BasicsCard and income management challenging. They were reported as experiencing problems such as the set of merchants accepting the BasicsCard not reflecting the way many shop – such as at markets and speciality stores where it was not accepted.

⁹¹ FaHCSIA advise that technically no actual form needs to be completed to apply for an exemption. Nevertheless a number of aspects of the exemption process can require a person to understand bureaucratic letters and other material, and to collect various documentation. These reports are therefore likely to be representative of the whole process which many people need to engage with in seeking an exemption.

Some further insight into the type of documentation required can be seen in the summary documentation FaHCSIA provides on information needs for health and education providers. (Available at <http://www.families.fahcsia.gov.au/our-responsibilities/families-and-children/publications-articles/income-management-fact-sheets/income-management-in-the-northern-territory-exemption-information-for-health-and-education-providers?HTML>)

Most stakeholders also said that, from their experiences, the BasicsCard doesn't stop humbugging. They reported for example that people just take the card from people now rather than cash.

9.9 Survey of merchants

A sample of merchants who are approved to accept income managed funds were interviewed via telephone in September and October 2011. A total of 103 interviews were completed. About half of the businesses surveyed indicated that they sold food (48 per cent) and half indicated that they were businesses involved in other retail activities (48 per cent). The remaining 4 per cent included merchants such as local housing authorities and providers of school meals programs. Seventeen of 103 businesses that participated in the survey were community stores located in remote or very remote areas.

Most of the participating businesses (85 per cent) were approved to accept BasicsCard. Just over a quarter were approved as Schedule 5 businesses and 18 per cent were approved as Schedule 4 businesses.⁹²

Of the 103 respondents, six indicated they were of an Aboriginal background and one indicated that they were of both Aboriginal and Torres Strait Islander heritage.

Table 9-15 Merchant interviews by business type and contract type

Business Type	Businesses	
	Number (a)	- % -
Food retailers (including supermarkets)	49	48
Other retail	49	48
Non-retail (b)	19	18
Community stores	17	17
<i>Total number of interviews</i>	103	100
Contract type		
Schedule 4	19	18
Schedule 5	27	26
BasicsCard	88	85
<i>Total number of interviews</i>	103	100

Notes:

(a) Businesses could be more than one 'type' of business and hold more than one type of contract, so the sum is greater than 103.

(b) Non-retail businesses include businesses/providers that were more service oriented such as accountants and bookkeeping, local council services, school programs such as tuckshops, as well as residential aged care services and housing services.

Source: Survey of Merchants 2011.

⁹² A Schedule 4 contract with Centrelink allows the provider to accept people's income managed funds for services received such as payment for participation in a School Nutrition program or to pay for utilities. A Schedule 5 contract allows the merchant to accept people's income managed funds directly to their store. The store then debits the amount from the person's balance and reports this information to Centrelink.

The survey focused on two broad areas. The first was how well NIM was operating in their business – did they have the information and training they needed and how well was the BasicsCard working?⁹³ The second was how income management was impacting on their customers.

Most respondents whose businesses are approved for the BasicsCard indicated that they considered their level of understanding of the terms and conditions of accepting the BasicsCard was very high (42 per cent) or high (33 per cent). A further 23 per cent reported that they had a moderate understanding of the terms and conditions of operating the BasicsCard, and only 2 per cent indicated a low level of understanding.

When asked if they had enough information and training about the BasicsCard to do their job effectively, 88 per cent responded 'yes, fully' and a further 11 per cent responded 'yes, partially'. Only one person responded 'no'. In response to a question as to whether they would like any additional information about the BasicsCard, most said no. However, some indicated that the information could be presented more simply and that updates needed to be prompt.

Table 9-16 Merchants' perceptions about impacts of NIM on their customers

	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Not applicable	Total
	- % -					
Customers using their income managed funds have more funds available for their priority needs	57	28	6	9	1	100
Since the introduction of income management our store stocks a greater variety of healthy foods	40	26	12	21	38	100
Since the introduction of income management there has been an increase in demand in the store for healthy foods	29	21	24	29	34	100
Income management allows women in this community to have greater control over their money	63	18	9	11	10	100

Notes: 103 respondents. Between 1 per cent and 38 per cent of respondents indicated that individual items were not applicable. The highest not applicable responses were the two items around food. These tended to come from merchants that were not food retailers. In addition, the proportion of 'Can't say/Don't know' responses ranged from 7 per cent to 19 per cent (for Customers using their income managed funds have more funds available for their priority needs) for these items. These responses are excluded from this table.

Source: Survey of income management merchants 2011.

When asked about how NIM was impacting on their customers most respondents presented positive views.

Over 80 per cent of respondents agreed (strongly or mostly) that they considered people using their income managed funds have more funds available for their priority needs and that income management allows women in this community to have greater control over their money.

However, while 67 per cent of respondents agreed that since the introduction of income management their store stocks a greater variety of healthy foods, only 50 per cent agreed that there had been an increase in demand in the store for healthy foods over the same period.

⁹³ Only BasicsCard responses are included here as the numbers of responses were too small for other Schedule 4 and Schedule 5 payments.

9.10 Summary of results from surveys and interviews with intermediaries and stakeholders

Information collected from intermediaries and stakeholders presented in this section shows a range of views about both the process and implementation of NIM and about outcomes for people subject to NIM.

9.10.1 Implementation and training

The survey of Centrelink staff paints a very positive picture about the implementation of NIM and the ways in which Centrelink staff work with clients. However, the qualitative interviews with Centrelink staff, money management workers and financial counsellors, and DCF child protection workers highlighted some concerns, as did the consultations with other stakeholders.

The implementation of NIM was seen as being broadly successful although somewhat rushed from the perspective of Centrelink staff on the ground. On the whole, however, this was seen as a normal part of the rollout of any major policy initiative. DCF child protection staff were more concerned about the rolling out of Child Protection Income Management within their department. They spoke of the rushed nature of this rollout and identified a lack of consultation as leading to a 'shaky start' for Child Protection Income Management.

Centrelink respondents reported that they had received the training they needed to work with people subject to income management. Additional training needs identified in the staff survey included having more refresher training, assistance with IT systems, and more information about exemptions, financial management and working with vulnerable clients. DCF staff were not generally positive about the training they had received; however, this tended to be linked back to the rushed nature of the implementation and the lack of consultation rather than specific comments about the content of the training. Money management staff identified a need for more training for staff around numeracy and in recognising and working with the complex issues that many people are presented with.

Most respondents to the Centrelink survey expressed agreement with the view that the information provided to those subject to NIM was adequate, but they were less likely to agree that people themselves had an adequate understanding of NIM. In the qualitative interviews, most Centrelink staff noted that responses from those subject to income management were mixed, with those who had been subject to NTER IM being more accepting and those who were new to income management being less accepting. Many suggested that the key to making people more accepting of NIM was in making sure that the allocation of funds was well set up so that they were of real benefit to the person.

9.10.2 Availability of other services

Centrelink staff who responded to the survey generally agreed that they were able to refer people to services to assist with some of the more 'traditional' issues Centrelink deals with, such as employment and housing. However, services to assist families with gambling problems, and parenting and child development issues, tended to be seen as less available for referrals. The

strongest theme to emerge from the qualitative interviews in regard to services was that those subject to income management were often dealing with multiple and complex problems. Service providers across the three groups all argued for an approach that provided a suite of coordinated services that would assist families in making changes in their lives. This required a coordinated response from services involved and also needed services to work well together – something that some service providers saw as lacking in their communities.

9.10.3 Comments on the different income management measures

The qualitative interviews with service providers, including Centrelink staff, revealed differences in how each of the different measures were viewed.

Voluntary Income Management was seen to be a tool that could assist clients who were struggling to manage their finances and to meet their or their family's needs. Voluntary Income Management was seen as the preferred measure compared to widespread compulsory measures. Centrelink social workers and DCF child protection professionals reported that they actively encouraged people who may fall into the Vulnerable Income Management or Child Protection Income Management categories to try Voluntary Income Management first. However, some service providers and stakeholder also questioned whether all people entering Voluntary Income Management were truly volunteering for NIM. They were concerned that these people may not have understood their choices at the time or may have accepted Voluntary Income Management because they wanted to keep their BasicsCard.

The Child Protection Income Management measure received a mixed response from DCF child protection staff. While all of the participants saw it as a case management tool for working with families where neglect was an issue, some saw this tool as part of their everyday practice, while others saw it as a tool of last resort. Some child protection workers were reluctant to make use of Child Protection Income Management because of the need to keep cases open while a client was subject to this measure.

Vulnerable Income Management was seen to be a useful tool for assisting some of Centrelink's most vulnerable clients accessing Centrelink services to meet their basic needs – as long as it was applied appropriately. Again there was a preference expressed by many of the people involved in the interviews for people in this group to choose to be subject to Voluntary Income Management if possible. People subject to Vulnerable Income Management were likely to be experiencing alcohol or drug dependency issues or be elderly or unwell. Centrelink staff saw income management as being able to assist this group in making sure they always had money available across the payment period for essentials like food. Limiting the amount of money that was allocated to a BasicsCard each day was also seen by some to have the potential to decrease the ability of other people to take a vulnerable person's income support payments.

Compulsory income management for long-term welfare payment recipients and disengaged youth was the measure that had the least amount of support amongst service providers and stakeholders. There was a reasonably persistent view across most of the service providers that there were substantial numbers of people subject to this measure who did not receive any benefit from

being income managed. This was seen as having a negative impact on these people and also as being a poor use of resources when they could be redirected at assisting those with real needs.

9.10.4 Impacts of income management

Responses to the survey of Centrelink staff showed that staff consider that income management has had a positive impact on many of those being income managed when considered in regard to changes in their general health, financial wellbeing and management skills, and the wellbeing of families and the communities they live in.

In the survey and also interviews with Centrelink staff and some DCF child protection staff, children were more frequently seen as the primary beneficiaries of NIM, whereas the impacts on the wellbeing of adults tended to be neutral or negative. The general view was that children had access to more food and better clothing and were more likely to attend school.

In both the survey and interviews there was agreement amongst respondents that there were some adults who were subject to NIM who did not need to because they were already managing their money well. These people were generally identified as being long-term welfare payment recipients who did not have dependent children. This group was seen as having few options to move off income management through either exemptions or a change in circumstances.

9.10.5 Views of other stakeholders

The views of other stakeholders consulted tended to reflect a number of the concerns raised by Centrelink, DCF, and money management and financial counselling staff, but frequently took these somewhat further. This included the extent to which Voluntary Income Management was voluntary, concerns about exemptions, and concerns about aspects of the BasicsCards. While most of the stakeholders did not see income management as a positive policy for people living in the Northern Territory, one organisation representing women in parts of Central Australia and South Australia saw NIM as being highly beneficial for children and older people and was keen to see it expanded into all of the communities they represented.

9.10.6 Views of merchants

The telephone survey with merchants approved to accept income managed funds also provided a generally positive picture of NIM. Most merchants felt that they had enough training and information to use income management funds in their business. Merchants responding to the survey were generally positive about the impacts of NIM on their customers, with over 80 per cent agreeing that customers using income management funds had more money available for their priority needs and that income management allowed women in their community to have greater control over their money.

In later Chapters we will compare the responses of Centrelink and other service providers with those of the clients subject to income management.

10. THE EXPERIENCE AND IMPACTS OF INCOME MANAGEMENT

10.1 Introduction

This chapter explores the experiences of those subject to income management and the impact it has had on themselves, their families, and their communities. The chapter is based upon data from the first wave of the Longitudinal Survey of New Income Management (LSNIM).

As outlined in Chapter 3 and Appendix B, the first wave of the LSNIM collected data both from people in the Northern Territory subject to income management and a comparison group of income support recipients in other states. The IM population comprises 818 people in the Northern Territory, with these being drawn from people identified by Centrelink as being subject to income management, in Darwin, Alice Springs, Alice Springs town camps and six remote communities. The comparison group comprises 305 people living in Cairns and a remote community in another state.⁹⁴ In this report these are referred to as the 'contrast sites'.

The chapter begins by describing the approach taken to the analysis of data from the LSNIM. Then follows an outline of how LSNIM was conducted and an assessment of the representativeness of the sample of people interviewed in relation to the overall population of income support recipients. The chapter then describes the characteristics of people subject to income management (focusing on characteristics that are not available from the Centrelink administrative data which has been previously considered in Chapter 4). This is followed by analysis of the extent to which income management is understood by those subject to it. The chapter then considers the personal and financial circumstances of people before and after income management, their perception of change in the circumstances of their families and communities, and their views on the impact of income management on their lives.

This report focuses on the experience of people who are being income managed utilising data from the 'contrast' sites to provide some reference points for analysing the data from the Northern Territory and in multivariate analysis to try to identify the extent to which outcomes are specifically associated with income management. The role of the contrast sites will also be important in the second phase of the survey where more detailed analysis of the differences in changes in outcomes between the Northern Territory and

⁹⁴ Not all of these records were available at the time this analysis was undertaken. The analysis here is based upon 812 records for persons in the Northern Territory and 305 in the reference site.

contrast sites will be undertaken (this is often termed difference-in-difference analysis).⁹⁵

As discussed later in the chapter, interpreting some of this data and identifying the specific role of NIM is complex. There are several reasons for this.

First, there is considerable diversity in the experience of individuals subject to income management. For some it is positive, for some there is little impact, and for others it is negative. Given this diversity, focusing simply on the 'average impact' can be quite uninformative and even misleading. This approach fails to capture the actual experiences of people subject to income management⁹⁶ and the effectiveness of the program on different groups of people.

Second, there is a range of different 'treatment effects' that need to be considered (see Chapter 3). That is, the outcome for individuals who are subject to income management are likely to be affected by whether this is compulsory or voluntary, whether the area they live in has had interventions associated with the NTER, and whether the individuals themselves were subject to income management under the NTER.

Further, to anticipate the material presented here, not only are some of the net changes in outcomes relatively small, but many of the apparent improvements reported by people on income management in the Northern Territory are also reported by those in the contrast sites in other states. In addition, perceived outcomes are not necessarily matched by more objective measures.

10.2 Approach to analysis

In general the data from the survey is reported in this chapter according to whether the survey participant is Indigenous or non-Indigenous. For those in the Northern Territory it also reported according to whether they are on a compulsory form of income management (including Child Protection Income Management and Vulnerable Income Management) or on Voluntary Income Management.⁹⁷ In this chapter these groups of income management are referred to as 'Compulsory' and 'Voluntary'. In a limited number of tables the data is also presented for people living in the Northern Territory who were subject to income management at the time of sample selection but did not appear to be subject to income management at the time of the interview.

In addition, some of the analysis is conducted according to whether the survey participant was living in an NTER prescribed community or a non-NTER

⁹⁵ A copy of the LSNIM Survey questionnaire is provided at Appendix C.

⁹⁶ Another possibility which was considered in this analysis was the extent to which some of the variation in responses could be attributable to measurement error, with this potentially leading to an overinflating of the apparent dynamics seen in the results. If this were the case then greater reliance could be placed on the mean effects. However, the differences in dynamics between questions, and the extent to which qualitative responses tend to confirm the purely quantitative ones, would argue against this being the case.

⁹⁷ This approach is adopted for two reasons. The first is that there were very few survey participants who were identified by Centrelink as being on Child Protection or Vulnerable IM at the time the sample was selected. Secondly it is not known whether a person who may have previously been identified by Centrelink as being on one stream of IM was still on that stream at the time of interview. For this reason participants are grouped as either being 'Compulsory' or 'Voluntary' on the basis of their original classification.

community. As described in Chapter 2, NTER communities are mainly remote Indigenous communities, but include some town camps in Alice Springs and Darwin. Non-NTER communities in this survey include all of Alice Springs and Darwin, other than the areas which are prescribed. In some cases data is analysed separately for men and women.

As discussed in Chapter 3, the use of these different classifications reflects the potential for a range of 'treatment' and 'selection' effects. These are:

- **Attribution of the cause of any changes in outcomes to specific policies:** the NTER involved a wide range of, often intensive, interventions which may also directly and indirectly impact on a number of the outcomes for individuals, their families and their communities. There have also been a number of other policy changes which are not part of the NTER. This means that it is very difficult to isolate the extent to which any changes are due to NIM or are due to other policy changes.
- **Selection effects:** people who choose to go onto Voluntary Income Management may have different characteristics and motivations from those on Compulsory Income Management; these pre-existing differences may have an impact on their outcomes relative to those who have income management compulsorily imposed on them.
- **Separating the impacts of NIM from NTER IM:** the prior experience of people, including being income managed under the NTER, may influence the outcomes which might otherwise be attributed to NIM.

The LSNIM is one of the largest surveys of its kind and provides a great deal of powerful new data which allows important evaluation findings to be made. However, as with all surveys, it is important to be aware of both its strengths and weaknesses. It is always a challenging exercise to collect data on sensitive issues (such as alcohol and drug use, and safety issues) and these challenges are multiplied in remote Indigenous communities, especially those which have been the subject of very significant government intervention. Survey responses were also collected in a range of different languages and cultural settings. The conduct of the survey is discussed in more detail in section 10.3.1. These factors mean that some care is needed in interpreting the data and comparing responses from different groups.

For these reasons, across the analysis in this report, the data from the first wave of the LSNIM, the administrative data and the data collected from intermediaries has been used to 'triangulate' the key findings.

10.3 Conduct of survey and benchmarking the sample against the income management population

The following two sections provide background information on how the LSNIM was undertaken, and the characteristics of those who were surveyed in comparison with the population on income management

10.3.1 Conduct of the survey

After an initial pilot test, the first wave of the survey was conducted between 8 December 2011 and 6 March 2012, and involved face to face interviews. Participants were selected from the Centrelink Administrative Database. Clients

with specified characteristics were selected for interview in each of the Northern Territory and contrast sites. Each Aboriginal community which participated in the survey gave permission for the survey to be conducted in their community. Interviewers were either members of the community or Aboriginal people who had connections to the communities. Participants in the survey were given a voucher valued at \$30 in recognition of their participation. Survey responses were collected in a range of different languages and cultural settings.

A more detailed summary of the methodology of the survey, as well as some of the challenges in undertaking it, are provided in Appendix B. While the survey achieved its target in relation to the number of interviews conducted for the Northern Territory Indigenous population subject to income management and in the contrast sites, it was not possible to obtain the target number of Northern Territory non-Indigenous survey participants. (Overall the survey achieved 86 per cent of its target and had a response rate of 29.5 per cent. See Appendix B for details.)

While all of the people in the Northern Territory who participated in the survey were subject to income management at the time the sample was selected, there was a small group of 52 people (6 per cent of survey participants) who reported, when interviewed, that they were not currently subject to income management. This may be due to either being granted an exemption or because they have moved off a trigger payment for income management. It is also possible that they were on NIM but either did not know this or chose not to report this to the interviewer.

A second wave of the survey will be conducted in 2013 when the survey participants in the first wave of the study will be followed up.

The high costs of conducting interviews in remote parts of the Northern Territory meant that the sample for the LSNIM was chosen to be spatially clustered with the sample selected from 8 communities in the Northern Territory (Darwin, Alice Springs and 6 remote communities). The communities in which data was collected were chosen to reflect, at least in part, the diversity of communities in remote areas of the Northern Territory, both in the Top End and in Central Australia. Within the communities in which interviews were conducted, the sample was randomly selected from the Centrelink administrative data.⁹⁸

Thus the LSNIM was designed to provide information about the views and circumstances of a diversity of the population being income managed in the Northern Territory, rather than to be strictly statistically representative of the population subject to income management as a whole. Given the different histories and circumstances of individual Indigenous communities, some caution needs to be exercised in making any generalisations of these results. The survey collection also involved an intentional oversampling of the non-Indigenous population to ensure a sufficient sample size to undertake analysis.⁹⁹ The following section provides an assessment of the extent to which

⁹⁸ Given that data was collected from only a relatively small number of communities which were not selected by random sampling, it is not possible to use weights in order to attempt to make it representative of the income managed population in the Northern Territory as a whole.

⁹⁹ This was necessary, given that, as reported in Chapter 4, only 9 per cent of people subject to IM are non-Indigenous.

the characteristics of the sample is similar to or differs from that of the population on income management.

10.3.2 Benchmarking the sample

This section presents the results of benchmarking the sample. Table 10-1 shows the results of comparing the characteristics of the LSNIM sample with the Northern Territory income managed population. The characteristics examined are; type of income management, gender, age, family type, whether they had been on NTER IM, and whether an application for exemption was rejected. These are all characteristics that are available from Centrelink administrative data.

The overall conclusion is that in most respects the characteristics of the first wave LSNIM sample aligns relatively closely with the population subject to income management in the Northern Territory. This means that the sample is broadly representative of the income managed population, at least in terms of the characteristics for which data is available. There are, however, some differences which are worth noting. The more important of these are:

Indigenous people subject to compulsory income management

- survey sample is more heavily weighted towards women (75 per cent compared with 63 per cent of the population)
- survey sample under-represents those under 21 years of age and over represents those aged 35 to 54 years
- there are some differences in family type with the sample under-representing couple only families and over-representing single parent families and people who are single.

Indigenous people subject to Voluntary Income Management

- the sample over represents the 35 to 54, and 55 to 64 year age groups at the expense of those younger and older
- the sample is more frequently female, and more likely to be single or a single parent than the income managed population
- the sample group is more likely to have been subject to the NTER IM than the income managed population.

Non-Indigenous on income management

- the sample considerably under-represents young people
- the sample over-represents families with children (both couple and single parent families) compared to the income managed population
- women are relatively over represented in the sample compared with the income managed population.

These differences, while generally quite small, do need to be considered when interpreting the data from the LSNIM survey.

The comparison of the characteristics of the LSNIM sample to the income managed population uses Indigenous status as recorded in the Centrelink administrative data. The survey asks a question about Indigenous status. In this report we use the answers to the self-identification question in the survey to define Indigenous status unless otherwise stated.¹⁰⁰

Table 10-1 Northern Territory LSNIM survey participants and Northern Territory income management population, key characteristics

	Indigenous				Non-Indigenous	
	Compulsory (a)		Voluntary		All IM (b)	
	IM Pop'n	Survey	IM Pop'n	Survey	IM Pop'n	Survey
%						
Measure						
Disengaged Youth	32.1	26.8	0.0	0.0	29.2	21.9
Long-Term Welfare	65.9	71.5	0.0	0.0	66.4	76.1
VIM	0.0	0.0	100.0	100.0	3.7	1.6
VULIM	1.7	1.2	0.0	0.0	0.4	0.5
CPIM	0.4	0.5	0.0	0.0	0.3	1.1
Gender						
Female	63.0	74.9	56.2	60.2	50.4	58.8
Age						
Under 21 years	14.1	7.5	3.5	1.2	14.8	5.9
21-34 years	51.9	50.5	17.8	15.5	40.0	43.9
35-54 years	31.0	37.4	40.5	46.6	34.2	37.4
55-64 years	2.7	3.9	18.7	24.8	10.0	12.3
65 + years	0.3	0.7	19.5	11.8	1.0	0.5
Family type						
Couple & children	22.5	20.0	7.1	5.7	6.7	11.5
Couple only	25.6	16.3	27.4	23.9	11.9	10.9
Single Parent	20.8	25.9	9.0	10.1	24.2	32.2
Single	31.1	37.9	56.6	60.4	57.2	45.4
Previously NTER IM	69.0	68.2	90.0	96.3	7.5	2.7
Application for exemption rejected (c)	8.2	10.4	0.0	2.5	14.2	12.3
Group as share of total IM population / sample (d)	66.1	54.2	24.3	21.3	9.5	24.7

Notes:

- (a) All forms of compulsory income management.
- (b) All forms of income management.
- (c) Population results count those who have withdrawn an application for exemption or have had an application for exemption rejected. Survey results are those who report 'Told me no/couldn't do it'.
- (d) The survey deliberately oversampled non-Indigenous people subject to income management.

Source: LSNIM, Wave 1.

¹⁰⁰ There was a high level of agreement between the self-reported Indigenous status of individuals in the survey and the Indigenous status identified by Centrelink. Amongst the sample of 'Indigenous locations', 99.2 per cent of those identifying as Indigenous in the survey were recorded as being Indigenous by Centrelink, as were 5.2 per cent of the small group identifying as non-Indigenous. In the other locations the proportions were 88.5 per cent and 0.4 per cent respectively.

10.4 The socio-economic and demographic characteristics of the survey population

This section considers the circumstances and some experiences of the survey population in more detail.

10.4.1 Comparison of income management and contrast population

Table 10-2 describes key demographic features of the LSNIM population subject to income management and the contrast populations.

The characteristics of the Indigenous sample in the contrast sites are broadly similar to the Indigenous population subject to income management. This is not the case for the non-Indigenous population.

The main reason for this is that both the Indigenous and non-Indigenous population in the contrast sites were selected as a sample of all income support recipients. However, the incidence of income management across income support categories varies considerably between Indigenous and non-Indigenous people. As has been seen earlier a very high proportion of Indigenous income support recipients are on income management, and hence it would be anticipated that the characteristics of this group will be similar to the population of income support recipients as a whole. By comparison, the rate of income management amongst the non-Indigenous population varies considerably, depending upon the particular type of income support claimed, and the degree of success particular subgroups have in achieving exemptions.

These factors led to a marked difference in the composition of the income managed population relative to the income support population. In particular, while some 54 per cent of the non-Indigenous income support population is aged over 65 years, none of the LSNIM 'Compulsory' income management population are in this age group. Even when the Voluntary Income Management population is added, it only increases to 0.5 per cent. This is also reflected in other characteristics such as family composition.

These differences suggest that the direct comparisons between relative outcomes for the Indigenous income managed and contrast populations can be relatively easily interpreted. However, for the non-Indigenous population greater reliance will need to be placed on multivariate approaches, and even these may have some difficulties in surmounting the considerable differences in composition of the two populations.

The data in the table also allows for some additional insights into the characteristics of the income managed population which are not possible from the administrative data used in Chapter 4.

Table 10-2 LSNIM Northern Territory and contrast sites, survey participants – demographic and socio-economic characteristics

	Northern Territory income managed					Contrast sites	
	Indigenous				Non-Indig- enous	Indig- enous	Non-Indig- enous
	Compulsory		Voluntary				
	NTER area	Non- NTER area	NTER area	Non- NTER area			
<i>Family type</i>	- % -						
Couple only	16.3	7.8	18.9	9.4	10.6	9.7	43.4
Couple and children only	16.7	6.6	0.0	0.0	10.6	14.8	0.0
Couple, children & others	11.3	1.8	5.5	6.3	1.1	8.2	0.0
Couple & others	5.9	0.0	5.5	12.5	0.0	5.6	1.0
Lone parent and children only	4.2	40.7	7.9	9.4	26.1	14.8	4.0
Lone parent and children & others	6.7	6.6	2.4	0.0	5.6	5.6	1.0
Living with parents	5.9	7.2	6.3	6.3	9.4	6.6	7.1
Other multi-person household	29.3	21.6	48.0	37.5	19.4	28.6	12.1
Single person	3.8	7.8	5.5	18.8	17.2	6.1	31.3
<i>Age</i>							
Under 21 years	7.4	7.7	0.8	3.0	6.0	7.0	3.8
21-34 years	56.1	42.3	15.6	15.2	44.6	42.2	10.4
35-54 years	30.3	47.6	45.3	51.5	38.0	32.7	17.0
55-64 years	4.9	2.4	24.2	27.3	11.4	10.6	15.1
65 + years	1.2	0.0	14.1	3.0	0.0	7.5	53.8
<i>Highest education</i>							
No school	0.8	0.0	10.4	3.2	1.6	2.0	1.0
Primary only	21.4	1.8	37.6	9.7	0.0	12.7	17.3
Some high school	36.2	42.2	22.4	61.3	29.0	31.0	41.3
Completed high school	9.5	10.2	10.4	12.9	12.6	15.2	8.7
Not comp. high school, certificate	22.2	27.1	8.0	6.5	25.7	18.3	6.7
Trade	2.1	3.0	5.6	6.5	4.9	3.0	10.6
Completed high school, certificate	4.5	12.7	4.0	0.0	14.8	14.7	1.0
Diploma	1.2	2.4	0.0	0.0	5.5	2.0	4.8
Degree	2.1	0.6	1.6	0.0	6.0	1.0	8.7
<i>Gender</i>							
Female	75.0	75.0	63.3	51.5	58.7	67.3	52.8

Cont.

Table 10-2 cont

	Northern Territory IM					Contrast sites	
	Indigenous				Non-Indig-enous	Indig-enous	Non-Indig-enous
	Compulsory		Voluntary				
	NTER area	non-NTER area	NTER area	non-NTER area			
<i>Labour force status</i>							
CDEP/WfD	12.3	0.6	6.3	3.0	1.1	8.0	0.0
FT Employed	2.0	4.2	0.0	0.0	7.1	2.5	1.9
PT Employed	8.2	10.7	3.9	3.0	27.2	9.0	5.7
Looking for work	35.2	33.9	7.0	12.1	25.5	26.6	6.6
Discouraged job seeker	9.0	3.0	7.0	9.1	1.6	14.1	10.4
Family/Caring	20.9	31.5	8.6	3.0	14.1	14.1	0.9
Study/Waiting for job	0.8	5.4	0.0	0.0	5.4	0.5	0.9
Poor Health/Too old	4.9	5.4	57.8	60.6	12.0	20.1	67.0
Not employed – other	6.6	5.4	9.4	9.1	6.0	5.0	6.6
<i>Health status</i>							
Good	71.1	59.4	51.2	21.9	52.2	47.9	21.0
OK	20.9	27.3	27.6	34.4	29.7	26.3	48.6
Not so good	8.1	13.3	21.3	43.8	18.1	25.8	30.5
Number of survey participants	244	168	128	33	184	199	106

Note: The sample also included 55 survey participants comprised of 24 Indigenous and 28 non-Indigenous participants whose survey responses strongly indicated that they were not on income management at the time of the interview, and 3 non-Indigenous people on Voluntary Income Management. These groups are excluded from most of the analysis in the remainder of the chapter and are therefore not reported in this table.

Source: LSNUM Wave 1.

10.4.2 Education

The Indigenous population on income management in the Northern Territory have a much lower level of education than the non-Indigenous income managed population. For example, 21 per cent of the Indigenous income managed survey participants have primary education as their highest level of education, compared to none of the non-Indigenous income management sample.

There are big differences in the educational attainment between Indigenous people on income management in the original NTER area and those in non-NTER areas, with those in NTER areas having a lower level of education. There are also differences between Indigenous people on the voluntary measure and those on one of the compulsory streams, with those on Voluntary Income Management having a markedly lower level of education. For example, amongst those in NTER areas who are on the voluntary measure, 38 per cent have only primary level education and a further 10 per cent report not having attended school at all. Although a higher proportion of Indigenous Voluntary Income Management survey participants in the non-NTER locations have basic

education, less than 20 per cent either finished high school or obtained a trade or higher qualification.

Across both the Indigenous and non-Indigenous sample, about one-quarter of those on a compulsory measure of income management report that, while they did not complete high school, they have subsequently obtained a certificate level qualification. In addition, for some of the population subgroups, a further proportion had completed high school and also obtained a certificate, or had completed a trade qualification. This suggests that these groups have had considerable access to vocational education.

10.4.3 Labour force status

About one-fifth (19 per cent) of the people in a compulsory stream of income management reported being employed at the time of the survey. This comprised 4 per cent in full-time employment and 15 per cent in part-time employment. Employment was most frequently reported by non-Indigenous survey participants in a compulsory stream of income management, with 27 per cent reporting part-time employment and a further 7 per cent in full-time employment. A further 6 per cent were working in Community Development Employment Projects or Work for the Dole. This was most common amongst Indigenous people on Voluntary Income Management who lived in NTER areas.

Some 32 per cent of those subject to compulsory streams of income management reported that they were looking for work;¹⁰¹ 22 per cent reported that they had family or caring responsibilities that prevented employment and a further 7 per cent that they were too old, or had poor health. This proportion rose to around 60 per cent for those Indigenous people on Voluntary Income Management. Over 40 per cent of Indigenous Voluntary Income Management survey participants outside of the NTER areas reported that their health was 'not so good'. This was the highest of any of the subgroups identified in the table.

10.4.4 Understanding of income management

While the first wave of the LSNIM did not specifically focus on survey participants' understanding of income management, the data from the survey nonetheless provides insights into the extent to which survey participants understand income management and how it operates. It is clear that many of the survey participants had only a limited understanding. This is evidenced by the numbers who reported that they were uncertain whether or not they were income managed, and if so, under which measure.¹⁰²

¹⁰¹ The LSNIM simply asked people whether they are 'looking for work' – it did not use the normal set of questions to determine formal labour market status and hence, while this measure can be seen as an approximation of a status of unemployed, this term has not been used.

¹⁰² To overcome this uncertainty the following approach was used to classify people. If they said either that they were on income management or had a BasicsCard, they were classified as income managed, unless they specifically reported that they were 'not income managed anymore'. For those identified in this way as being income managed, the type of measure was based on the Centrelink classification. While it is possible that some people may have moved between streams between the time the sample was drawn from Centrelink administrative data and interviewing was undertaken, it is unlikely that there would have been significant movements between income management streams within this period.

Using the best estimate of whether or not a person was income managed, some 5 per cent of Indigenous and 4 per cent of non-Indigenous people subject to compulsory measures reported that they were not being income managed. This picture became more complex when survey participants were asked if they had 'asked to go on income management'. Amongst Indigenous people subject to compulsory measures, 16 per cent report having been asked to go on; while amongst Indigenous people on the voluntary measure, only 25 per cent report that they had asked to go onto income management. Amongst the non-Indigenous survey participants, the proportions were 4 per cent and 67 per cent (although this latter figure is based upon a very small sample size and therefore should be treated with caution).

Further insight into the extent to which survey participants had a good understanding of the operation of income management is provided by a question about whether they had received '*an incentive payment for asking to be on income management*'. As outlined in Chapter 2, the Voluntary Income Management incentive payment is only available to those on Voluntary Income Management and is paid to all of those on Voluntary Income Management for a period of more than 13 weeks. However, of the survey participants who were on Voluntary Income Management (according to the administrative data), and who reported that they had chosen to go onto income management, only half reported having received the incentive payment. Similarly just over half of those subject to a compulsory measure who thought they had chosen to go onto income management reported that they had received an incentive payment, despite there being no such payment for them.

While these results are not conclusive, they strongly suggest that a relatively high proportion of people subject to income management do not fully understand the nature of the program and the reasons for their being income managed.

10.4.5 Alcohol, drugs and gambling

A central rationale for income management is to *reduce the amount of welfare funds available to be spent on alcohol, gambling, tobacco products and pornography* (Australian Government, 2009, p. 1). The LSNIM included questions designed to identify the extent to which survey participants thought that alcohol, drugs and gambling were a problem for their immediate family. The survey also asked about the severity of these problems (a 'bit of a problem' or a 'very big problem').

The majority of survey participants reported that none of these issues were a problem for their family (Table 10-3). Across all survey participants who were on income management, just over one quarter (29 per cent) reported that alcohol was sometimes a problem, 23 per cent reported that gambling was sometimes a problem, and 17 per cent reported that drugs were a problem. Just over one-third (37 per cent) of survey participants reported one or more of these being a problem. In most cases the extent of the problem was seen as mild, with just 12 per cent reporting that one or more of these was a 'very big problem' for their families. The main problem reported was alcohol, although a considerable number of survey participants reported multiple problems.

For people on compulsory measures, 6 per cent of the non-Indigenous population and 32 per cent of the Indigenous population reported that they had at least one of these problems in their families. Over half (53 per cent) of Indigenous people on the voluntary measure had at least one of these problems. Focusing on the severity of the problems, 14 per cent of Indigenous on a compulsory measure said that at least one of the three represented a 'very big' problem for their family compared to 19 per cent of Indigenous people on a voluntary measure. Very few (1.6 per cent) non-Indigenous people on a compulsory measure reported that at least one of the three represented a 'very big' problem for their family.

Table 10-3 LSNUM Northern Territory and contrast sites; Is alcohol/drugs/gambling a problem for your family? by type of income management

	Northern Territory income managed					Contrast sites	
	Indigenous				Non-Indig- enous	Indig- enous	Non-Indig- enous
	Compulsory		Voluntary				
	NTER area	non-NTER area	NTER area	non- NTER area			
Alcohol	- % -						
Not a problem	55.7	78.9	56.7	45.8	96.7	52.1	82.9
A bit of a problem	28.9	17.4	30.8	29.2	2.7	32.8	14.3
A very big problem	15.4	3.7	12.5	25.0	0.5	15.1	2.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Drugs							
Not a problem	73.9	89.9	78.5	46.2	96.7	64.1	84.9
A bit of a problem	14.2	8.2	14.9	34.6	2.7	21.7	11.3
A very big problem	11.9	1.9	6.6	19.2	0.5	14.1	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gambling							
Not a problem	59.1	89.6	69.2	48.1	98.4	54.5	83.8
A bit of a problem	28.9	9.2	23.3	29.6	1.1	25.1	13.3
A very big problem	12.0	1.2	7.5	22.2	0.5	20.4	2.9
Total	8.4	3.1	6.7	22.2	1.1	4.2	1.0
Any of the above							
No problems (a)	42.6	75.0	46.9	48.5	94.0	45.7	76.4
At least 1 a bit (b)	35.7	21.4	37.5	21.2	4.3	27.6	19.8
At least 1 big	21.7	3.6	15.6	30.3	1.6	26.6	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Survey participants	244	168	128	33	184	199	106

Notes:

(a) Excludes those who did not answer the question.

(b) At least one is a 'bit of problem' but none are a 'big problem'.

Source: LSNUM, Wave 1.

There were also marked differences in the proportion reporting these as being a problem for their family between NTER and non-NTER areas, in particular for Indigenous people on a compulsory measure. For people in NTER areas, 57

per cent of those on a compulsory measure reported that their families experience one of these problems, double the rate of those in non-NTER areas.

Men were a little more likely to report problems than women. For example amongst Indigenous people on compulsory measures, 47 per cent of men and 43 per cent of women reported one or more of these three problems. However, when women identified a problem they were more likely to identify it as being 'very big' – with 17 per cent reporting at least one very big problem in contrast to just 8 per cent of men.

10.5 The impact of income management

This section focuses on the perceptions of the changes that have arisen from the introduction of NIM. As the survey first went into the field after NIM was introduced, it needs to rely on people's recall of how things were before income management and the changes over time.¹⁰³

10.5.1 NTER income management

As discussed previously a potential confounding factor in measuring the impact of NIM is the role of the NTER and the high proportion of the survey participants who had been subject to income management under the NTER.

In the case of those who had been on NTER IM, their experience of income management may include several years being income managed under a combination of NTER IM and then NIM. Over half (56 per cent) of the people surveyed in the Northern Territory had been subject to the NTER IM (Table 10-4). This included almost all (96 per cent) of Indigenous people on Voluntary Income Management and 68 per cent of those subject to compulsory measures. In comparison, 2 per cent of non-Indigenous people whose income was compulsorily managed had been subject to income management under the NTER.

The second potential impact concerns whether or not people were living in an NTER location (at the time of the fieldwork for the first wave of the LSNIM in late 2011 or early 2012).¹⁰⁴ The proportion living in NTER locations was slightly lower than the proportion that had been on NTER IM. Taking the survey participants in the Northern Territory as a whole, 48 per cent were living in NTER areas, including:

- 80 per cent of Indigenous survey participants who were on Voluntary Income Management
- 59 per cent of Indigenous survey participants subject to compulsory measures
- 1 per cent of non-Indigenous survey participants subject to compulsory measures.

¹⁰³ Chapter 3 provides a discussion of the challenges in attributing causal impacts to NIM which largely result from a lack of true baseline information about the circumstances of the NIM populations prior to being subject to income management.

¹⁰⁴ This has been derived from the proportion of people in the location who had been assessed for the NTER IM. Due to the spatial clustering of the data collection this approach allowed for a relatively clean demarcation of locations.

Table 10-4: Northern Territory LSNIM participants, whether subject to NTER IM or currently live in NTER prescribed communities

	Indigenous			Non-Indigenous			Total
	Compulsory	Voluntary	No IM	Compulsory	Voluntary	No IM	
	%						
In NTER location	59.3	79.5	56.0	1.1	0.0	0.0	47.8
Were on NTER IM	68.3	96.3	64.0	2.2	33.3	0.0	56.4

Source: LSNIM, Wave 1.

The reason for considering both of these approaches to evaluating the impact of the NTER IM arrangements is that it is an open question whether at this time any possible impact of IM is felt via a locational effect (i.e., as a result of changes in the aggregate level of funds available for various activities within a location or changes in norms or behaviours in the community), or whether the main impact is felt via its effect on individuals. A further issue is the extent to which other initiatives associated with the NTER and policies relating to the Indigenous Reform Agenda 'Closing the Gap' have had a strong locational element and therefore interact with the effects of NIM.

10.5.2 Personal financial circumstances before and after income management

Survey participants were asked about the extent to which they had experienced a series of financial problems and whether this had changed over time. In the Northern Territory, survey participants were asked about whether they had experienced financial problems prior to income management and whether there had been a change in the extent to which they experienced these since starting income management. In the contrast sites outside of the Northern Territory survey participants were asked about the experience of financial hardships last year and changes since last year.

In the case of the Northern Territory population the initial question was phrased as follows: '*Thinking back now to before you were first income managed did any of the following happen to you?*'

For the contrast group the question was asked in terms of whether or not an issue had occurred in the past year. These questions were then asked again of both groups in terms of: '*In the past four weeks did any of the following happen to you?*'

While these differences in the question structure mean that the answers, especially with regard to the base reference point, are not strictly comparable, our assessment is that this is unlikely to invalidate comparison of these questions between Northern Territory survey participants and survey participants in the contrast sites.¹⁰⁵ More specifically with regard to the income managed population, a more complex issue arises in trying to disentangle the

¹⁰⁵ In this type of survey question it is to be expected that there will be a degree of 'noise' in responses due to telescoping (when people report experiences out of the designated time period as occurring within the period) and recall error (when people fail to remember that an event has occurred). The difference in question structure is more likely to be simply one additional factor rather than representing a significant contribution to the 'noise'.

impact of the NTER IM from NIM. For example some 70 per cent of Indigenous people on compulsory measures who live in NTER locations who participated in the survey indicated that their period of income management commenced prior to NIM, as did 75 per cent of the Indigenous people on Voluntary Income Management in these locations. As such, the time period to which this question is asked can be very significant, stretching back to 2008.

The financial problems asked about are:¹⁰⁶

- ran out of money to buy food clothing or medicine
- unable to pay rent on time
- unable to save money for bond
- unable to pay water/electricity on time
- financial problems because gave money to others
- asked for money from others because could not buy essentials
- asked for Emergency Relief
- unable to afford travel to visit family and friends
- unable to pay for school activities/trips for sport for children.

For each of these measures of financial problems, Table 10-5 shows the proportion of survey participants who said that this was a problem for them before income management (or in the last year for those outside of NT) and whether the extent to which they experienced the financial problem had changed since being income managed (or over the last year for the contrast group). The change in the extent to which a particular financial problem was experienced is measured by the proportion who reported a reduction in the experience of the financial problem (i.e. were experiencing the problem in the past but were no longer experiencing the problem) minus the proportion who reported an increase in the experience of the financial hardship (i.e. were not experiencing the problem in the past but were experiencing the problem now).¹⁰⁷ A positive net change indicates that more people reported a decrease in their experience of the financial problem than those who reported an increase in their experience of the financial problem.

¹⁰⁶ This set of questions also included a question about whether the participant had saved money. This question has not been included in this analysis because of concerns with the quality of the data. In initial analysis this question showed some inconsistent results which it is considered may be a consequence of the questionnaire design. All of the other questions in this part of the survey were asked in terms of whether the participant had a particular problem; that is the existence of a negative outcome – such an inability to do things. In contrast, this question was phrased in terms of a positive outcome – that of being able to save. This reversal of direction in the question appears to have created some confusion among participants and there is evidence of ‘pattern responding’ to the set of questions. This is where a person when asked a series of questions which elicit, for example, a negative answer, will continue to answer questions as if they are phrased in the negative, regardless of the actual question.

¹⁰⁷ This calculation excludes participants who had missing data for the particular financial problem at either point in time.

Table 10-5 LSNIM Northern Territory and contrast sites, incidence of financial problems prior to income management and change since income management/last year

	Northern Territory income managed					Contrast sites	
	Indigenous				Non-Indig-enous	Indig-enous	Non-Indig-enous
	Compulsory		Voluntary				
	NTER area	Not NTER	NTER area	Not NTER			
<i>Ran out of money to buy food</i>							
Original Problem (%) (a)	46.8	28.5	46.3	35.7	25.4	59.4	31.7
Net improvement (b)	8.2	-3.0	5.8	10.7	6.6	8.3	5.8
<i>Ran out of money to buy clothing</i>							
Original Problem (%)	44.5	26.7	45.9	32.1	24.2	56.8	31.1
Net improvement	11.4	-1.8	9.0	10.7	7.1	5.3	6.8
<i>Ran out of money to buy medicine</i>							
Original Problem (%)	27.9	19.1	23.3	32.1	20.8	38.8	28.2
Net improvement	4.4	0.6	7.0	14.3	2.2	9.1	3.9
<i>Unable to pay rent on time</i>							
Original Problem (%)	23.3	18.6	25.0	24.0	20.2	28.1	33.3
Net improvement	11.9	0.0	8.0	16.0	5.1	9.0	5.3
<i>Unable to save money for bond</i>							
Original Problem (%)	22.6	24.0	20.8	45.0	20.2	24.0	32.8
Net improvement	3.2	1.6	15.1	10.0	6.5	7.7	10.4
<i>Unable to pay water/electricity on time</i>							
Original Problem (%)	28.7	22.4	23.7	23.1	23.0	34.3	27.6
Net improvement	8.0	1.2	10.8	15.4	8.4	0.0	11.2
<i>Financial problem because gave money to others</i>							
Original Problem (%)	43.6	23.9	42.3	50.0	14.9	54.9	18.3
Net improvement	15.4	8.0	8.1	21.4	7.2	4.6	2.0
<i>Asked for money from others because could not buy essentials</i>							
Original Problem (%)	51.5	26.7	41.9	41.4	23.8	58.4	19.2
Net improvement	5.7	8.5	4.8	13.8	15.5	8.1	5.8
<i>Asked for Emergency Relief</i>							
Original Problem (%)	27.3	22.6	21.6	50.0	27.6	42.9	21.2
Net improvement	6.8	11.0	6.2	16.7	13.3	15.5	4.8
<i>Unable to afford travel to visit family and Friends</i>							
Original Problem (%)	39.5	27.6	33.0	30.0	33.9	42.2	27.2
Net improvement	9.6	-2.5	-0.9	23.3	6.7	7.5	6.8
<i>Unable to pay for school activities/trips or sport for children</i>							
Original Problem (%)	33.6	15.0	29.9	21.1	11.4	28.2	20.9
Net improvement	-4.6	3.6	-4.5	-5.3	5.0	4.8	3.3
Number of survey participants	244	168	128	33	184	199	106

Notes:

(a) Excludes people with 'don't know', 'not applicable' and 'can't recall' responses in either time period.

(b) Proportion of population reporting an improvement less the proportion reporting deterioration.

Source: LSNIM, Wave 1.

A considerable minority (and in a couple of cases a majority) of participants in both the NIM and the contrast groups reported having experienced financial problems before income management (or 12 months ago in the case of participants in the contrast areas). However, for most types of financial hardships, more participants indicated improvement than deterioration, and thus the overall finding was a net improvement.

However, for most of the types of financial hardships, more respondents indicated that the situation had improved than indicated it had deteriorated (resulting in a net improvement).¹⁰⁸

While Table 10-5 provides a summary measure – the extent to which participants reported things as having become better or worse – it hides the diversity of experiences which underlie the responses to these questions. This can be illustrated using, as an example, the question about running out of money to buy food. In Table 10-5, taken as a whole across all Indigenous people subject to income management, the response to this question represents a net improvement of 3.4 percentage points from an initial level of incidence of 42.3 per cent. This simple summation of change, however, disguises the actual dynamics of change. The 3.4 percentage point gain rather represents the net effect of 18.7 per cent who reported that they had run out of money for food prior to the introduction of income management, but not in the last four weeks; and 15.3 per cent reported that while they had not run out of money for food prior to the introduction of income management, they did in the four weeks prior to the survey (Table 10-6).

Table 10-6 Northern Territory Indigenous LSNIM participants on compulsory measures, whether they ran out of money for food before and after income management

Ran out of money to buy food :		After IM		
		Yes	No	Total
		- % -		
Before IM	Yes	23.6	18.7	42.3
	No	15.3	42.3	57.7
	Total	39.0	61.0	100.0

Notes: Excludes 'don't know', 'not applicable' and 'can't recall' responses.
Source: LSNIM, Wave 1.

The proportion of participants currently on income management who reported running out of money to buy food prior to the introduction of income management ranged from 47 per cent of those on compulsory measures in NTER locations, to 25 per cent of non-Indigenous people on these measures (Table 10-5). This compares with 59 per cent of the Indigenous population of income support recipients in the comparison sites and 32 per cent of the non-Indigenous population. All sub-populations (other than Indigenous people on compulsory measures who are not in NTER areas) report, on balance, some improvement in having enough money to buy food.

The incidence of problems is usually lower for the non-Indigenous survey participants than for Indigenous survey participants, both for those on income management and in the contrast sites.

In general, Indigenous people on compulsory measures living in NTER areas reported bigger decreases in financial hardship since NIM commenced than

¹⁰⁸ In the table the improvement is reported as the change relative to the population as a whole, rather than a proportionate change in the group experiencing problems. This way of presenting the data has been chosen, given that the focus of the evaluation is on the size of any effects of income management across the whole population of those subject to income management.

those in non-NTER areas. For those on Voluntary Income Management, while there are differences between NTER and non-NTER areas, there is no consistent pattern, with bigger improvements in NTER areas for some outcome measures, and bigger improvements in non-NTER areas for others.

Five problems (running out of money for medicine, being unable to save money for a bond, financial problems because of giving money to others, asking for money from others, and the use of emergency relief) showed a consistent pattern of improvement for all population subgroups. Limiting the comparison to Indigenous survey participants, only the questions on payment of utility bills and giving money to others showed rates of improvement for all population subgroups on income management compared to those in the contrast sites outside of the Northern Territory.

Multivariate analysis

Regression analysis has been used to isolate the extent to which there are differences in outcomes for the population subgroups, given these also have different characteristics, such as age and gender, which may also have an effect on their experiences. The way in which this is done is to compare the outcomes for the subgroups of people subject to different types of income management and whether they are in an area affected by the NTER or not, with those of the contrast sites.¹⁰⁹

This analysis needed to be undertaken separately for the Indigenous and non-Indigenous populations. In this discussion, and in the following sections, the focus is on the results for Indigenous participants only, as Indigenous people make up over 90 per cent of the population subject to income management. A summary of outcomes for non-Indigenous people is presented in Section 10.6.1.

The measures of change in financial problems are standardised.¹¹⁰ This allows the direct comparison of the size of effects for these questions with others provided in later tables which use measures based on different rating scales.¹¹¹ The explanatory variables included are such as the type of income management they are on, whether they are in an NTER area and whether they were on NTER IM, gender, age, education and employment. These explain only a small part of the variation in outcomes.

The models¹¹² used in this multivariate analysis in general explained only a small proportion of the variation in the sample.¹¹³ This is not unusual in this

¹⁰⁹ In the regression this is achieved through dummy coding of each of the combinations of IM and location with the contrast site being the omitted category.

¹¹⁰ That is, the coefficients on the explanatory variables represents the impact of a one unit change in the value of the independent variable in terms of a standard deviation change in the dependent variable (the incidence of a financial problem). Since the subgroups are dummy coded with values of 0 and 1, this represents the change in outcomes associated with being in one state or another.

¹¹¹ In this case the variable has been coded from -1 (problem got worse), 0 (no change), and +1 (problem improved). The mean score is 0.099 and the standard deviation 0.478.

¹¹² The independent variables used in the regression were age, age squared, gender, highest level of education, nine different family types, employment, and number of children. Eight different permutations of type of income management, location and previous income management experience were included, as well as the contrast site.

type of analysis. It indicates that there may be many other factors which influence outcomes which have not been included in the model, or that the parameters have been measured with some error. Furthermore, very few of the other explanatory variables were statistically significant. In addition, as discussed previously, there are a number of different treatment effects which need to be taken into account, including whether or not the person had been subject to NTER IM. This gives rise to a range of complex interactions between treatments not all of which have been able to be explored at this time.

The only outcome measure for which a number of the subgroups are statistically significant is whether there had been a change in the extent to which people faced financial difficulties because they gave money to others. The main finding was that Indigenous people on compulsory measures in NTER areas who had been on NTER IM reported a reduction in financial difficulties due to giving money to others compared to Indigenous people in the contrast sites, of 0.28 of the standard deviation.¹¹⁴

While a number of other questions had one or two groups with a significant difference from those in the contrast sites, there was no systematic pattern to these.

In summary, while there is, on average, a pattern of reduced incidence of various forms of financial stress reported amongst people who were subject to NIM, similar reductions were reported by people in the contrast sites.

More detailed analysis found that, once account was taken of personal and other characteristics, there was no consistent evidence to suggest that the difference in outcomes between the contrast sites and those on income management are significant, nor associated with specific policies such as income management.

10.5.3 Impact of income management on perceived level of financial stress

The previous section has focused on survey participants' reports of the extent to which there has been a change in the experience of a range of financial hardships since going on income management. The LSNIM also asked questions about whether survey participants felt that managing certain aspects of their finances and lives had become harder or easier. In the case of participants in the survey in the Northern Territory, the question was '*Have things changed since being on income management?*' and for the participants in the survey in the contrast sites '*Have things changed since 12 months ago?*'

¹¹³ The r^2 values range from 0.02 for asking people for money because they could not buy essentials to 0.07 for running out of money for medicine.

¹¹⁴ While there were also statistically significant findings of reduction for those on Voluntary Income Management who were not previously on NTER IM, the very small groups involved (a total of six records) make it difficult to place too much weight on this. In addition, for those on compulsory measures who were not living in NTER areas and had not been on NTER IM, the result of 0.22 was similar to those in the NTER areas of 0.28 but was only weakly significant at $p = 0.08$. The effect for those on compulsory measures in non-NTER areas, but who had previously been on NTER IM, is small and insignificant. Taken as a whole these results show little consistency, and do not support arguments of there being any consistent long-term impact of IM if this is proxied by whether or not a person had previously been on NTER IM.

Again, because the questions which were asked of those in the Northern Territory and the contrast sites were different, the same caveats as described earlier need to be placed on interpreting these as being precisely equivalent.

Taken as a whole, the pattern of responses by those subject to income management suggests that people have found that managing many aspects of their finances and lives had become easier since being subject to income management. There is, however, much inconsistency in their responses. Amongst Indigenous people on compulsory measures in NTER areas, the proportion reporting that it was easier to manage these aspects of their lives comprehensively outweighed those reporting it was more difficult. Those in non-NTER areas were more likely to say that it had become harder to manage their money and to save money. Amongst those in non-NTER areas about equal numbers of participants in the survey reported that it had become either easier or harder to know how much money they had, or to look after family obligations.

Between two and ten times as many Indigenous people on Voluntary Income Management (in both NTER and non-NTER areas) reported that they considered managing their financial affairs, providing food and meeting their family obligations had become easier since being on income management compared with those reporting more difficulties in these areas. However, a very substantial number (35 to 50 per cent) reported that managing these tasks was much the same as it was prior to income management.

In the contrast sites, Indigenous survey participants were similarly more likely to say managing their money had become easier than that it had become harder (with the exception of the question on savings) and also that the most common response was 'no change' in these tasks.

The statistical significance of some of these changes is considered later in this chapter in Table 10-10.

Non-Indigenous survey participants who were subject to compulsory measures were much more likely to report that these tasks had become harder since commencing income management. This result was particularly marked with regard to managing, saving and knowing how much money they had. When compared with the contrast sites these non-Indigenous respondents were much more likely to report change, either positive or negative, than those on income support only. On balance, non-Indigenous survey participants in both the contrast sites and the intervention sites reported more negative than positive changes.

While questions about perceptions of change can provide a valuable insight into what has occurred, it also needs to be recognised that reported perceptions can at times be fallible and may reflect more general issues of outlook or other changes in the environment in which people live.

In this study this can be tested by comparing the responses to the questions on change in the incidence of running out of money to purchase food with the extent people felt it had become easier or harder to have enough money for food.

This is demonstrated in Figure 10-1 which shows, for a range of population subgroups, the rate of reported net improvement with respect to whether they

ran out of money for food (Table 10-5) with the net change in their perception of whether it was easier to have enough money for food (Table 10-7).¹¹⁵

Table 10-7 LSNIM Northern Territory and contrast site survey participants, impact of income management/change in last year on aspects of financial management

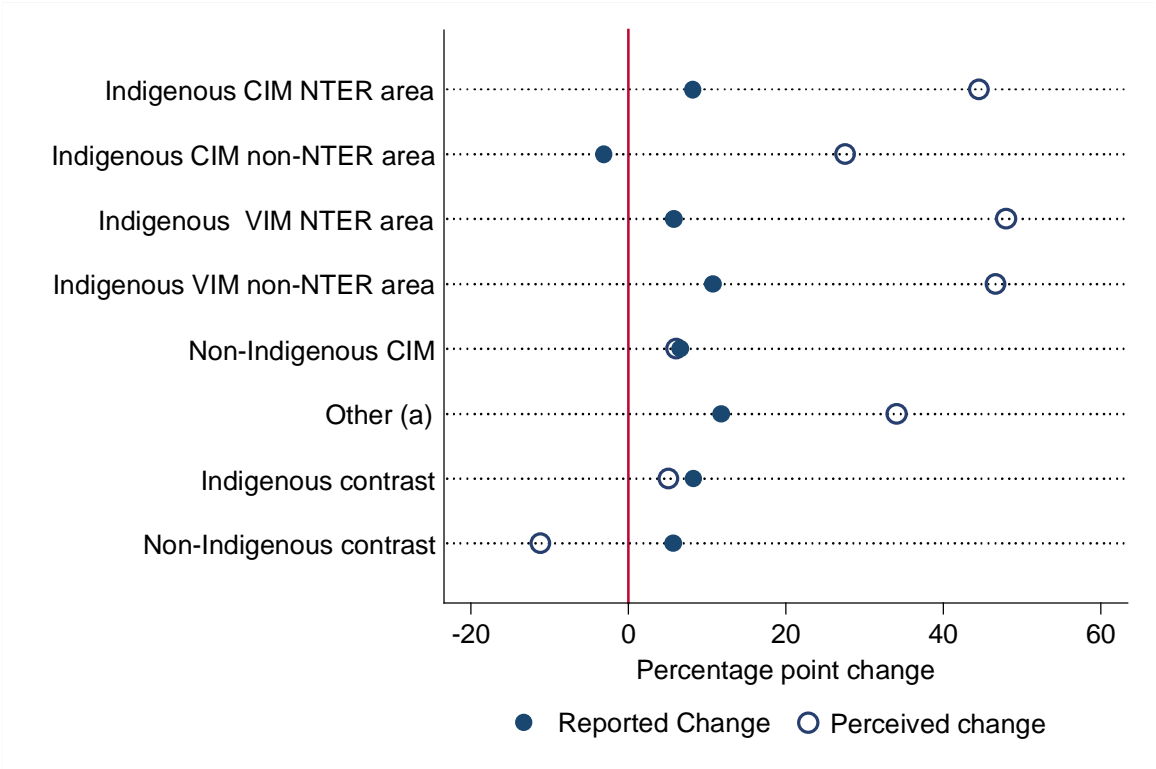
	Income Managed Indigenous				Non-Indigenous Compulsory	Contrast sites	
						Indigenous	Non-Indigenous
	Compulsory	Voluntary					
	NTER area	Not NTER	NTER area	Not NTER			
- % -							
Managing your money							
Easier	50.2	23.9	50.8	37.0	24.0	19.7	1.9
About the same	37.1	40.5	43.2	48.1	23.0	68.5	84.0
Harder	12.7	35.6	5.9	14.8	53.0	11.8	14.2
Saving Money							
Easier	46.8	18.1	46.6	46.4	12.5	18.6	1.9
About the same	37.0	40.4	42.4	35.7	27.3	59.0	76.4
Harder	16.2	41.6	11.0	17.9	60.2	22.3	21.7
Enough money for food							
Easier	51.9	41.1	52.8	53.3	29.3	22.2	1.9
About the same	40.2	45.2	42.4	40.0	47.5	61.3	84.9
Harder	7.9	13.7	4.8	6.7	23.2	16.5	13.2
Knowing how much money you have							
Easier	60.7	31.1	53.4	50.0	21.4	22.7	1.9
About the same	28.6	40.1	38.8	33.3	27.5	62.7	86.8
Harder	10.7	28.7	7.8	16.7	51.1	14.6	11.3
Looking after family obligations							
Easier	56.8	28.1	52.1	44.8	18.3	21.8	2.8
About the same	31.6	44.9	38.7	41.4	45.1	64.2	83.0
Harder	11.5	26.9	9.2	13.8	36.6	14.0	14.2
Number of survey participants	244	168	128	33	184	199	106

Source: LSNIM, Wave 1.

For Indigenous people on income management there is a clear tendency for the perceived change to be substantially larger than their reported actual change in the outcome. For example, while as shown in Table 10-7, for Indigenous people on compulsory measures in NTER areas, there was a net improvement of some 44 percentage points (52 per cent finding it easier compared with 8 per cent finding it harder); in Table 10-5 this group only reports an 8 percentage point gain in the number of survey participants indicating that they did not run out of money for food. This is plotted in the chart as a ring for the perceived change at 44 percentage point gain and the solid circle at 8 reflecting the actual change.

¹¹⁵ It is recognised that because the focus to these questions is a little different, the average responses to the questions may differ. However, this is not the issue being considered here. Rather the focus is on whether or not there are systematic differences in the pattern of responses for particular subgroups.

Figure 10-1 LSNIM Northern Territory and contrast sites, perceived and reported changes in ability to have enough money for food



Notes: CIM in this chart includes all compulsory streams.
(a) 'Other' as per note to Table 10-2.
Source: LSNIM, Wave 1.

In contrast to the marked differences for these Indigenous income managed groups, and for the 'other' category which includes those who were not income managed at the time of the study, and non-Indigenous people on Voluntary Income Management, the results of the actual change and perceived change is much more closely aligned for the Indigenous contrast group and non-Indigenous people subject to compulsory measures. In the case of the non-Indigenous contrast group, their perceptions of change were much more negative than that identified in terms of reported outcomes.¹¹⁶

This difference between actual and perceived change has occurred in other research on the impact of policies in the Northern Territory. For example, the NTER evaluation found that participants in NTER communities had much more positive views about the effects of the NTER in relation to factors such as school attendance than were actually reflected in the rates of school attendance (FaHCSIA, 2011b, see p. 103 and pp. 324-325).

¹¹⁶ The marked difference for the non-Indigenous Northern Territory and contrast site responses is likely to be a result of the substantive differences in the two populations. As has been described, the subset of non-Indigenous income support recipients subject to income management is considerably different to the population of non-Indigenous income support recipients as a whole. It is this latter concept that the contrast group represents.

10.5.4 Control over money

One of the key objectives of income management is to increase the control that people have over their money (Chapter 2).

The LSNIM contains three questions that are directly relevant to this issue:

- whether they felt they had more or less control over money in their family relative to before income management (or 12 months previously for the contrast group)
- whether the participants were finding it easier or harder to 'manage their money' since being on income management, for the IM sample, or over the last year for the contrast group
- the frequency with which they feel they have control over their income managed money (the contrast sample was asked about control over their Centrelink money).

Figure 10-2 illustrates the distribution of responses to the question of whether people felt they had more or less control over money for Indigenous people on compulsory and voluntary measures, and for non-Indigenous on compulsory measures. The data is presented separately for males and females.

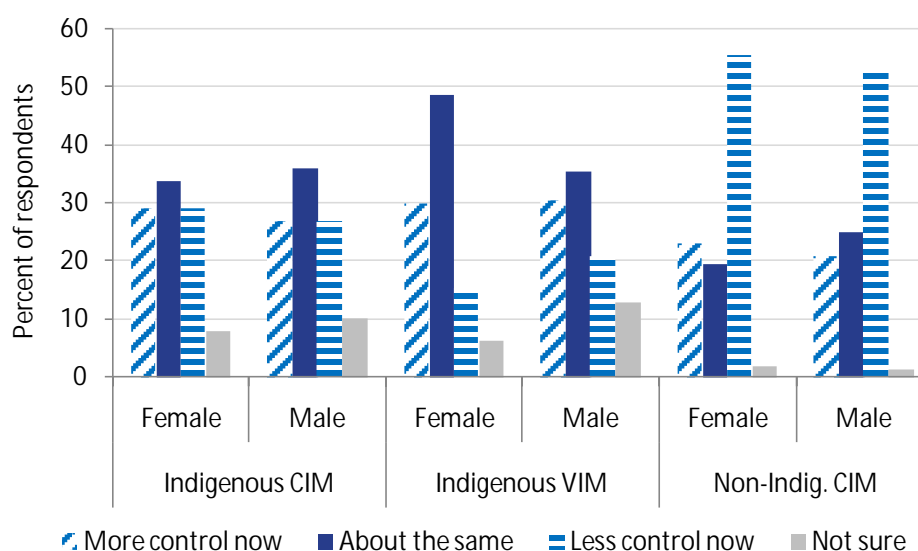
Similar proportions of Indigenous survey participants who were subject to compulsory measures said that they now had more, the same, or less control over their money relative to before income management.

While Indigenous people on Voluntary Income Management were also split in their views about the extent to which their control over money had changed, for this group the highest proportion said that they had about the same control as before, followed by having more control, and then by those who said they had less control. Amongst the men in this group who were asked this question there was also a considerable number (13 per cent) who reported that they were not sure.

Non-Indigenous people on compulsory measures were much more likely to say they had less control now (over 50 per cent) with around one in five saying they had more control since going on income management.

In each of the groups of survey participants there were only small gender differences in the perceptions of changes in control over their money. This differs from the findings of some studies which have found women are more likely than men to say that income management has increased their control over money (AIHW, 2010; CIRCA, 2008), although others (CLC, 2008) as with the LSNIM, found little difference.

Figure 10-2 LSNIM Northern Territory participants, sense of control over money in family relative to before income management



Notes: CIM in this chart includes all compulsory streams.
Source: LSNIM, Wave 1.

The participants in the survey were more positive as to whether income management had made it harder or easier to manage money (Table 10-7) than they were in their responses to the questions about whether the control they have over their money has changed. The proportion saying that income management made it easier to manage their money ranged from 24 per cent (Indigenous people on compulsory measures in non-NTER areas and non-Indigenous people on compulsory measures) to 51 per cent (for Indigenous people on Voluntary Income Management in NTER areas), and just a little below this for Indigenous people on compulsory measures in NTER areas. Around half of Indigenous people in NTER areas reported that income management made it easier to manage their money. However, many also reported that managing money had become harder. Although this was only a small segment for most of the subgroups, for some groups it was much larger. Of Indigenous survey participants in non-NTER locations on compulsory measures, 36 per cent felt that managing their money was harder, as did 55 per cent of non-Indigenous people on compulsory measures.

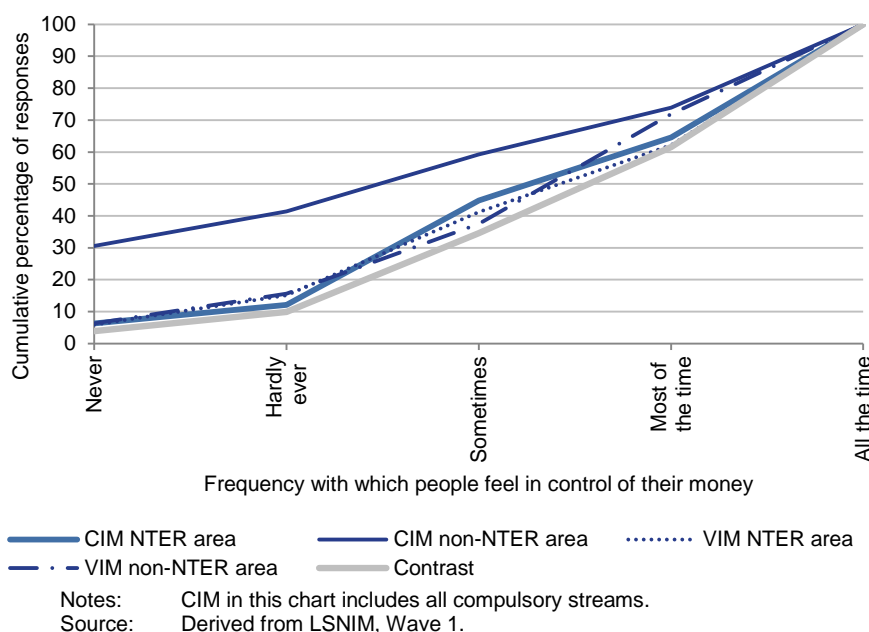
The third question – the frequency with which people feel in control of their money – shows some strong differences between subgroups on income management. Especially notable (Table 10-9) are the high proportions of Indigenous people on compulsory measures in areas other than the NTER locations, and non-Indigenous people on compulsory measures, who report that they never feel more in control of their money – 31 per cent and 51 per cent respectively.

Less apparent from the data presented in Table 10-9 is the way in which the participants in the survey in contrast sites also consistently report a higher level of control when they are asked just about their receipt of income support. This

is shown in Figure 10-3. The lines plot the cumulative frequency with which people feel in control of their money.

All of the groups, with the exception of Indigenous people on compulsory measures in non-NTER areas, have a relatively similar pattern of responses to this question.

Figure 10-3 LSNIM Indigenous survey participants on income management and Indigenous contrast group, cumulative sense of control over money



In Figure 10-3, the line for the contrast sites sits, at all points, below each of the other groups. This indicates that the survey participants in the contrast sites who are not on income management report having higher levels of control over their money than those on income management, and that they are less likely to report all of the response categories associated with having a low level of control.

As indicated above, Indigenous people on compulsory measures in the non-NTER areas show a different pattern to the other subgroups presented in the chart. The line for this population sits above that of all the other groups indicating that they consistently have a lower sense of control over their money.¹¹⁷

Although these three questions are broadly about financial management, it may be that they are measuring somewhat different concepts. Table 10-8 shows a cross tabulation of the answers to the questions on the ease of managing money relative to a sense of control over money.

¹¹⁷ Essentially the analysis of this is akin to Lorenz dominance in inequality analysis. Where lines cross, such as with the other subgroups, it is not possible to make an unequivocal statement about which represents a 'better' or 'worse' distribution.

While clearly the responses to these two questions are not independent, equally they do not move lock-step with each other. In particular, the higher level of ease in managing money seen for those on VIM is not wholly reflected in the feeling of control over money.

Table 10-8 LSNIM Indigenous persons by type of income management, association between control over money and ease of managing money

Managing Money	Compulsory				Voluntary			
	Control over money				Control over money			
	Less	The same	More	Total	Less	The same	More	Total
	- % -							
Harder	12.1	4.2	2.9	19.2	5.2	1.5	1.5	8.2
The same	10.4	28.3	8.7	47.3	4.5	28.4	9.7	42.5
Easier	3.3	10.4	19.8	33.5	8.2	16.4	24.6	49.3
Total	25.8	42.9	31.3	100.0	17.9	46.3	35.8	100.0

Source: Derived from LSNIM, Wave 1.

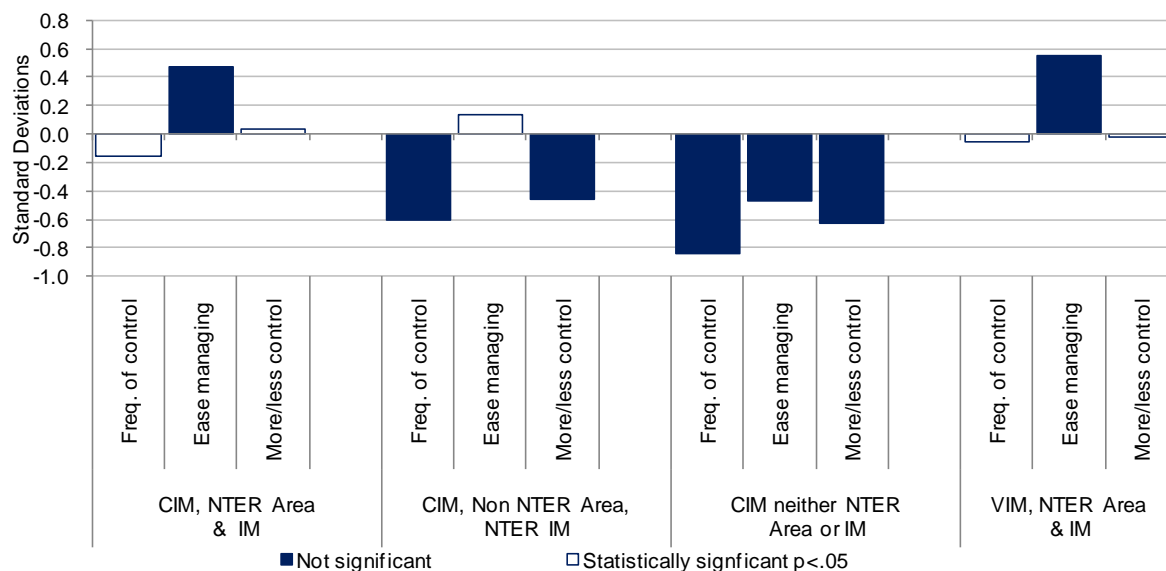
One possible reason for this is the extent to which income management tends to relieve people of their responsibility for making financial decisions, thus making it easier to manage money while at the same time giving the individual less control. This is important in the context of the goals of income management with regard to self-reliance. In looking at this question it is clear that the ability to achieve some outcomes is not necessarily the same as having control. A further insight into the responses to these questions is given in Figure 10-4 which presents some results of multivariate analysis to identify the contribution of the type of income management the person is on; whether they had been on NTER IM and if they live in an NTER area; on their sense of control of money; and taking into account personal characteristics such as age and education.

Effectively Figure 10-4 illustrates the extent to which responses to each question about financial control varies for these groups, relative to the contrast population, after controlling for a range of individual characteristics.^{118 119}

¹¹⁸ In technical terms the values plotted are the beta co-efficient for dummy variables for these combinations of characteristics relative to the omitted case of the Indigenous survey participants in the contrast sites, for regressions with the different questions about financial control as the dependent variables, expressed in terms of the change on a standard deviation in the dependent variable.

¹¹⁹ The regression is an OLS regression controlling for gender, age (as a quadratic), highest level of education, ten different family types, whether the person is employed (differentiating between market employment and Work for the Dole/Community Development Employment Projects) and the number of children. Model R-square was 0.119 for the frequency of money control, 0.137 for ease of money management and 0.093 for whether they had more or less control of their money. Alternative modelling strategies, including ordered probits, produced substantially the same results.

Figure 10-4 LSNIM major Indigenous sub-populations by type of income management, past income management experience and location, multivariate analysis of control over money



Notes: CIM in this chart includes all compulsory streams.
 Source: Derived from LSNIM, Wave 1.

Taking the three questions in turn:

- Being in any of the four groups was associated with a less frequent feeling of being in control of one's money compared to Indigenous respondents not on income management living in the contrast sites. This effect was only statistically significant at a 95 per cent level for those on compulsory measures who were not in an NTER area, with the effect being larger for those who had been subject to the NTER IM arrangements.
- Ease of money management shows an inconsistent pattern across groups. Those on either compulsory or voluntary measures who live in an NTER area, and who had previously been on NTER IM, report a statistically higher degree of ease of money management, relative to those not on income management in the contrast site who were asked about ease of management of income support payments. While those on compulsory measures in non-NTER areas who had been on NTER income management also have a positive result, the estimated effect is small and statistically insignificant. In contrast, being on a compulsory measure, not in an NTER area and not having been on NTER IM, is associated with a negative sense of ease of managing money compared to the respondents in the contrast sites.

The fact that outcomes for those who had previously been on NTER IM tended to show improvements in their ease of managing money but no improvement in the other money measures, raises the possibility that the longer term impact of income management may tend towards passivity and a sense of ease, rather than building a sense of control. This is a question which subsequent evaluation

reports will provide further evidence on, as the length of time people have been on income management increases.

10.6 Attitudes to income management

Survey participants in the Northern Territory were asked a series of questions relating to their feelings about income management and being income managed. As a reference point, the same questions were asked of the contrast population in terms of their feelings about Centrelink payments. This approach allows for some separation between the actual dimension of income management and the underlying payment which is being income managed.

While these questions produce valuable data, it is also important to recognise that individual responses to questions about income management may reflect their views on particular aspects of income management rather than income management as a whole. Of particular note here is the role of the BasicsCard. While this forms one part of income management, some of its characteristics, such as providing fee free banking, go beyond its role in limiting the activities on which income managed funds can be spent. Furthermore, survey participants in the Northern Territory may also be reflecting the wide range of other activities that have been undertaken as part of the NTER and 'Closing the Gap'. It is not possible at this stage to disentangle these effects.

Survey participants who were subject to income management were asked how often in relation to income management that they felt: discriminated against; embarrassed; a sense of unfairness; more in control of life; that things were better for their family; more in control of their money; not worried about money; and safer. Survey participants in the contrast sites were asked 'How often do you feel this way about being on Centrelink payments'. In each case people were asked if they felt this way in five categories which range from 'All of the time' to 'Never'.¹²⁰

As with other aspects of income management asked about, there is a substantial diversity of responses. These are detailed in Table 10-9, while Table 10-10 provides some results of multivariate analysis designed to identify the independent contribution of income management and other interventions to these outcomes.¹²¹ This analysis has again been limited to the Indigenous population as these are the majority of the people on income management and because of the marked difference in the non-Indigenous contrast site population.

¹²⁰ While this particular style of question is frequently used to build an understanding of people's feelings, it is one which does involve some personal interpretation. For example, the response 'all the time' has interpretations both in terms of 'it is constantly on my mind' and as 'on those occasions when I think about it, I feel about it this way'. Similarly it is at times difficult to establish what necessarily constitutes a positive, neutral or negative response to these questions. Notwithstanding this, the data provides a rich insight into the responses of people on income management to the program.

¹²¹ This analysis is similar to that provided in Figure 10-4. However, subgroups are defined simply on type of income management and whether the person is in an NTER area, not whether or not they were on NTER IM. Rather, this is used as an additional independent variable in the estimation.

Table 10-9 Attitudes to income management/ Centrelink Payments, Northern Territory and contrast site survey participants

How often do you feel this way:	Northern Territory Income Management					Contrast sites	
	Indigenous				Non-Indigenous Compulsory	Indigenous	Non-Indigenous
	Compulsory		Voluntary				
	NTER area	Non-NTER area	NTER area	Non-NTER area			
<i>Discriminated against</i>							
Never	21.9	30.2	25.2	34.4	32.1	42.9	39.0
Hardly ever	11.2	11.9	8.7	9.4	3.6	7.1	7.6
Sometimes	29.8	16.4	24.3	6.3	10.3	24.7	23.8
Most of the time	12.6	8.8	16.5	31.3	10.3	13.7	21.0
All the time	24.7	32.7	25.2	18.8	43.6	11.5	8.6
<i>Embarrassed</i>							
Never	24.6	28.5	26.5	28.1	28.2	42.1	34.3
Hardly ever	6.7	10.1	16.2	6.3	3.5	8.7	4.8
Sometimes	29.5	18.4	27.4	9.4	12.4	25.7	24.8
Most of the time	12.5	10.8	12.8	12.5	7.6	14.2	23.8
All the time	26.8	32.3	17.1	43.8	48.2	9.3	12.4
<i>Not fair</i>							
Never	17.7	23.9	20.9	31.3	27.9	34.1	33.7
Hardly ever	6.8	7.5	12.2	6.3	6.7	8.1	5.8
Sometimes	27.7	18.9	24.3	3.1	9.7	27.7	28.8
Most of the time	12.7	10.7	16.5	28.1	7.9	19.1	23.1
All the time	35.0	39.0	26.1	31.3	47.9	11.0	8.7
<i>More in control of life</i>							
Never	8.6	32.9	5.9	12.5	49.7	6.1	21.4
Hardly ever	6.3	10.1	5.0	3.1	11.0	6.7	6.8
Sometimes	30.2	18.4	24.4	25.0	9.8	25.1	28.2
Most of the time	20.3	15.8	24.4	34.4	12.1	29.6	31.1
All the time	34.7	22.8	40.3	25.0	17.3	32.4	12.6
<i>Better for family</i>							
Never	6.8	31.0	5.3	16.1	50.6	10.5	11.8
Hardly ever	5.9	6.3	5.3	6.5	9.9	5.8	6.9
Sometimes	29.5	22.8	17.5	16.1	15.1	26.2	32.4
Most of the time	20.9	15.8	29.8	32.3	8.7	29.7	29.4
All the time	36.8	24.1	42.1	29.0	15.7	27.9	19.6

Cont.

Table 10-9 continued

Northern Territory income management						Contrast sites	
Indigenous					Non-Indigenous	Indigenous	Non-Indigenous
Compulsory			Voluntary		Compulsory		
NTER area	Non-NTER area		NTER area	Non-NTER area			
<i>More control over money</i>					- % -		
Never	6.3	30.6	5.9	6.3	50.9	3.8	18.4
Hardly ever	5.8	10.8	9.2	9.4	9.2	6.0	7.8
Sometimes	32.7	17.8	26.1	21.9	12.1	24.7	29.1
Most of the time	19.7	14.6	21.0	34.4	9.8	26.9	30.1
All the time	35.4	26.1	37.8	28.1	17.9	38.5	14.6
<i>Not worried about money</i>					- % -		
Never	16.7	28.7	15.4	12.5	32.7	20.5	25.0
Hardly ever	6.8	7.6	8.5	9.4	11.7	8.0	4.8
Sometimes	29.9	28.7	24.8	28.1	15.2	30.1	27.9
Most of the time	18.6	12.7	24.8	40.6	10.5	21.0	29.8
All the time	28.1	22.3	26.5	9.4	29.8	20.5	12.5
<i>Safer</i>							
Never	8.2	28.5	5.6	9.4	49.4	4.0	9.6
Hardly ever	4.5	10.6	3.7	12.5	11.3	4.0	7.7
Sometimes	23.2	23.8	24.1	15.6	9.5	30.9	29.8
Most of the time	20.5	9.9	23.1	40.6	8.3	25.7	30.8
All the time	43.6	27.2	43.5	21.9	21.4	35.4	22.1
Number	244	168	128	33	184	199	106

Source: LSNIM, Wave 1.

Discrimination

Most people on income management felt, at some time or another, that they were being discriminated against because they are income managed. Depending upon the subgroup, between 22 per cent (those on compulsory measures in NTER areas) and 34 per cent (those on Voluntary Income Management in non-NTER areas) reported never feeling a sense of discrimination. At the other extreme, between 19 per cent (Indigenous people on Voluntary Income Management in non-NTER areas) and 44 per cent (non-Indigenous subject to compulsory measures) felt discriminated against all the time.

This latter result is part of quite polarized responses by non-Indigenous people in the Northern Territory who were subject to compulsory measures. This group reported both the highest level of feeling discriminated all the time, but also the second highest level of never feeling discriminated against.¹²² While the sense of discrimination was not as pervasive, a majority of those in the contrast sites also felt at times they were discriminated against, with around 40 per cent saying that they never felt this way. Indigenous people on Voluntary Income

¹²² A potential factor here is the extent to which the concept of 'discrimination' is anchored in peoples' minds as meaning 'racial discrimination' only.

Management reported lower levels of discrimination as a result of being income managed than those on compulsory measures. A quarter (in NTER areas) and a third (in other locations) of Indigenous people on Voluntary Income Management reported no discrimination. In the multivariate analysis of Indigenous people, being on compulsory income management, and being on Voluntary Income Management in an area subject to the NTER is associated with a statistically significantly higher likelihood of feeling discriminated against.

More people felt a sense of embarrassment or lack of fairness than a sense of discrimination.

Embarrassment

Overall, those subject to income management were much more likely to report embarrassment about being income managed than the survey participants in the contrast sites felt about Centrelink payments. This was statistically significant in the case of Indigenous people on Voluntary Income Management and those subject to compulsory streams of income management in non-NTER areas.

Non-Indigenous people on compulsory measures reported the highest incidence of embarrassment with 56 per cent reporting feeling embarrassed all or most of the time. Around 25 to 28 per cent of survey participants in each category indicated that they never felt embarrassed because they were on income management. In the contrast group, some 34 per cent of non-Indigenous and 42 per cent of Indigenous income support recipients said they never felt embarrassed about their receipt of payments.

Fairness

For all groups on income management the question of fairness generated the most adverse sentiment across the responses of 'discrimination', 'embarrassment' and 'unfair'. Some 35 to 39 per cent of Indigenous people on compulsory measures felt this way all of the time, and fewer than a quarter said they never felt that it was unfair. Surprisingly, as they had chosen to go onto it, some 43 per cent of Indigenous survey participants Voluntary Income Management in NTER areas and 59 per cent of those in non-NTER areas felt being on income management was unfair all or most of the time. Income support recipients in the contrast sites were much less likely to report that they felt that it was unfair being on these payments all the time and only a third never felt that it was unfair.

Despite these high rates of reporting that people often felt being on income management was unfair, the multivariate analysis only identified a statistically significant effect for those Indigenous people on compulsory measures.

Control over their lives

A relatively high proportion of Indigenous survey participants reported that they felt more in control of their life being on income management. This is broadly comparable with the responses of Indigenous people in the contrast sites in relation to income support. Statistical testing however suggests that for those on a compulsory measure there was a significantly lower degree of control relative to the contrast population. There was also a positive and significant contribution made in the model by the measure of whether or not a person had

been on NTER IM. For some groups this may offset the negative association with current income management.

Non-Indigenous people on income management were much more likely to report never feeling in control over their lives than Indigenous people, or those in the contrast populations.

There was considerable polarisation in the responses for different groups, and indeed within some populations. Half of non-Indigenous and a third of Indigenous people being compulsorily income managed in non NTER areas never felt being 'more in control'. However, only 9 per cent of those on compulsory measures in the NTER areas, and 6 per cent of those on the voluntary measure in these locations, reported that they never felt 'more in control', and 35 and 40 per cent respectively felt as if they were always in control.

Effect on families

The most negative feelings about the effect of income management on their families were expressed by non-Indigenous people subject to compulsory measures, with 61 per cent reporting that they hardly ever or never felt income management had a positive effect on families. Another group with relatively strong negative feelings were Indigenous people on compulsory measures in non-NTER areas (37 per cent).

In the contrast population, receipt of income support was sufficient to elicit a feeling of always being 'better' for a family (28 per cent of Indigenous survey participants and 20 per cent of non-Indigenous survey participants). In the multivariate analysis it was only Indigenous people on compulsory measures in non-NTER areas who had a statistically significant difference with this group, of around half a standard deviation lower. Again there was a positive outcome associated with having been on NTER IM, although at a lesser level of confidence; however, more detailed analysis suggests this is operating more as an offset to the experience of negative outcomes, rather than resulting in more positive outcomes relative to the contrast sites.

Control over money

This question has been discussed in some detail above. Half of non-Indigenous and just under one-third of Indigenous people on compulsory measures in non NTER areas reported never feeling that they had control over their money. In contrast, of those living in NTER areas, 35 per cent of Indigenous people on compulsory measures and 38 per cent of those on Voluntary Income Management reported that they felt more in control all the time.

Worried about money

In the table there are few consistent trends in the frequency with which people agree with the statement 'I am not worried about money when I have income management'. For some, such as non-Indigenous people on compulsory measures, responses are highly polarised. For this group, some 33 per cent state they never feel like this while 30 per cent feel this way all of the time. In the multivariate analysis of the Indigenous population, there was a strong negative value associated with being on compulsory measures in both the

NTER and non-NTER areas; this suggests, relative to the control, that these groups on income management were more frequently worried about money.

Safety

The most striking finding for the question about safety is that the Indigenous survey participants in the NTER areas are much more likely to feel safer than those not in NTER areas. For example, 44 per cent of those on compulsory measures in NTER areas felt safe 'all the time' and 8 per cent felt safe 'hardly ever' or 'never'. For those on Voluntary Income Management, the figures are 44 per cent and 6 per cent.

While this in part is likely to reflect the range of other interventions and increases in services provided to NTER communities, it should also be noted that some 35 per cent of Indigenous income support recipients in the contrast sites also feel safer all the time, and a further 26 per cent feel safer some of the time.

In the multivariate analysis, while the four groups considered all had lower rates of feeling safe relative to the contrast group, only the rates of those on compulsory measures in non-NTER areas was significant.

10.6.1 Non-Indigenous people subject to income management

The detailed analysis above has largely related to the experience of different subgroups of Indigenous people on income management relative to Indigenous people in the contrast sites. As shown in Table 10-10, there were also some significant findings for the multivariate analysis conducted on the non-Indigenous populations surveyed. As with the Indigenous analysis, this is restricted to people with children only.

With respect to the questions of frequency of feeling, there were statistically significant results with regard to more frequently feeling discriminated against and a sense of it being not fair, as well as being more negative about being in control of their life, about income management being better for self and families, being in control of money, and being safer. In large part this is a similar pattern of responses as to those provided by Indigenous people on compulsory measures in non-NTER areas.

This analysis indicates, again after controlling for the range of demographic and other factors, that non-Indigenous people on compulsory measures were more likely to feel less ease in managing their money, saving and knowing how much money they had, than those in the non-Indigenous contrast group.

The modelling suggests that there were no significant differences between non-Indigenous people on compulsory measures and the contrast group with respect to the questions on the change of incidence of issues such as running out of money for food.

This analysis suggests that non-Indigenous people on compulsory measures with children, when compared with a contrast group in receipt of income support, have a number of marked negative perceptions of the impact of NIM on them, with no evidence of change in any outcomes relating to incidence of adverse outcomes. In many ways they show strong similarities with non-Indigenous people on compulsory measures in the non-NTER areas.

Table 10-10 LSNIM survey participants, parameter estimates for income management status from multivariate analysis, various outcome measures

	Indigenous Model					If had been on NTER IM	Model fit (r2)	Non-Indigenous model (compulsory Coefficient values only)
	NIM category							
	Compul- sory, NTER area	Compul- sory, non- NTER	VIM, NTER area	VIM, non- NTER area				
	βStdY (a)				r2	βStdY		
<i>Frequency of feeling: (b)</i>								
Discriminated against	0.547 **	0.440 **	0.532 **	0.293	-0.108	0.093	0.419 **	
Embarrassed	0.632 **	0.526 **	0.348	0.682 **	-0.159	0.112	0.222	
Not fair	0.520 **	0.529 **	0.247	0.224	-0.025	0.096	0.466 *	
In control of life	-0.374 *	-0.795 **	-0.171	-0.356	0.308 *	0.138	-0.443 *	
Better for self and family	-0.206	-0.567 **	-0.003	-0.336	0.352 *	0.108	-0.760 **	
In control of money	-0.362 *	-0.828 **	-0.227	-0.312	0.195	0.113	-0.622 **	
Not worried	-0.102	-0.248 *	-0.124	-0.299	0.226	0.070	-0.092	
Safer	-0.252	-0.727 **	-0.124	-0.420	0.247	0.133	-0.688 **	
<i>Perception of change: (c)</i>								
Managing your money	0.128	-0.393 **	0.221	-0.118	0.359 *	0.126	-0.383 *	
Saving money	0.218	-0.295 *	0.368 *	0.300	0.237	0.144	-0.536 **	
Having enough food	0.534 **	0.312 **	0.629 **	0.626 **	0.073	0.083	0.185	
Knowing how much money	0.329 *	-0.210	0.341	0.141	0.261	0.120	-0.408 *	
Looking after family obligations	0.171	-0.173	0.272	0.142	0.336 *	0.113	-0.202	
<i>Change in incidence of: (c)</i>								
Ran out of money for food	-0.233	-0.215	-0.281	-0.165	0.273	0.044	-0.019	
Ran out of money for clothing	-0.132	-0.174	-0.162	-0.113	0.272	0.046	-0.000	
Ran out of money for medicine	-0.214	-0.185	-0.101	-0.026	0.227	0.069	0.061	
Rent on time	-0.309	-0.302 *	-0.264	-0.007	0.317 *	0.049	-0.060	
Bond	-0.349	-0.276	-0.003	-0.104	-0.309	0.063	-0.254	
Utilities	-0.011	-0.012	0.060	0.148	0.220	0.054	-0.109	
Gave	0.495 **	0.209	0.389 *	0.633 **	-0.244	0.042	0.094	
Asked	-0.141	-0.014	-0.189	-0.029	0.136	0.021	0.095	
Emergency Relief	0.035	-0.005	0.041	0.214	-0.191	0.045	-0.098	
Travel	-0.191	-0.278 *	-0.325	0.112	0.293 *	0.052	0.054	
School activities	-0.338	-0.006	-0.224	-0.243	0.134	0.060	0.228	
Survey participants (d)	244	168	128	33			286	

Notes:

(a) ** p<0.01 *p<0.05
Results are for OLS regression. Alternative model specifications including ordered probit, have been tested and provide substantially the same results. All parameter estimates are in the form of βStdY, that is the change in the dependent variable expressed in terms of a standard deviation, to a unit change in the independent variable which in this table is being in one of these income management categories relative to being in the contrast group.

(b) Responses to the questions have been given a numeric value ranging from 1 for never to 5 for always, a negative value therefore represents a less frequent occurrence and a positive a more frequent.

(c) Responses have been coded -1 for negative, 0 for no change and +1 for improvements.

(d) Maximum number, numbers used in models vary with the level of non-response to particular questions.

Source: Derived from Wave 1 LSNIM.

10.6.2 Summary of feelings about being income managed

The questions on feelings about being income managed need to be considered in terms of both the nature of the questions themselves and in comparison to the responses of those not on IM living in the contrast sites to the questions about their feelings about income support payments which are not subject to IM.

Overall, across most questions the majority of people subject to income management see no change or improvement. Indigenous people are, on the whole, more positive than non-Indigenous people and there is some evidence that improvements are perceived as greater for those living in NTER areas. For most responses the perceptions of those in the Northern Territory are similar to those in the contrast sites.

Across all of the groups on income management some two thirds or more of people experience some feelings of discrimination, embarrassment or unfairness about their being income managed, with a lack of fairness being the dominating feeling reported. Indigenous people in NTER areas felt significantly more discriminated against than those in the contrast group.

A majority of survey participants report feeling more in control of their lives and their money, and that the outcomes were better for their families. However, the responses of those on income management are not dissimilar to those expressed by the survey participants in the contrast sites about their attitudes to receipt of income support payments. This was particularly the case amongst Indigenous survey participants. Thus, considerable caution needs to be exercised in attributing the results to income management *per se*. This is confirmed in multivariate analysis. In particular, Indigenous people on compulsory measures in non-NTER areas who participated in the survey were significantly more likely to feel discriminated against, embarrassed or have a sense of unfairness, and were less likely to feel in control of life or money, or report that things were better for their families, safer, or were not worried about money.

The responses also seem to have been affected by other policies and programs, particularly in the NTER areas.

10.7 Changes in communities and families

This section considers several dimensions of the potential impact of income management on families and communities. These include changes in the incidence of family problems, changes in child wellbeing, and the impact on culture.

10.7.1 Change in incidence of family problems

Table 10-3 reported on the incidence of family problems. A follow up question in the survey asked participants '*Have you had more or less of these problems in your family than a year ago*'. The responses to this question, along with the original level of incidence of problems, for those on income management and the contrast population, are shown in Table 10-11.

Table 10-11 LSNIM, Northern Territory income management and contrast sites, change in family problems in the past year

	Northern Territory income management					Contrast sites	
	Indigenous Compulsory				Non-Indig- enous Compul- sory	Indig- enous	Non-Indig- enous
	Voluntary						
	NTER area	Not NTER	NTER area	Not NTER			
Proportion reporting 1 or more of alcohol, drugs or gambling as a problem in their family (%)							
No problems	42.6	75.0	46.9	48.5	94.0	45.7	76.4
1 or more 'a bit'	35.7	21.4	37.5	21.2	4.3	27.6	19.8
1 or more 'big'	21.7	3.6	15.6	30.3	1.6	26.6	3.8
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Change over last year (%)							
A lot more	2.9	1.9	0.9	3.8	0.0	3.4	1.0
A bit more	7.6	0.0	8.1	7.7	1.7	5.1	7.0
About the same	52.9	75.3	52.3	65.4	77.4	71.3	90.0
A bit less	18.6	5.8	18.9	7.7	1.7	6.2	0.0
A lot less	18.1	16.9	19.8	15.4	19.2	14.0	2.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of survey participants							
	244	168	128	33	184	199	106

Source: LSNIM, Wave 1.

The first panel of the table shows the proportion of survey participants reporting one or more of these problems in their family according to Indigenous status, type of income management and whether in an NTER area, as well as for the contrast sites outside of the Northern Territory. In general terms, when broken down into Indigenous and non-Indigenous groupings, the Northern Territory population subject to income management reports lower incidence of problems than those in the contrast population. In itself this finding is of limited salience as the contrast population has largely been identified to allow for the tracking of change over time, rather than its absolute distribution of characteristics. However, the comparison in changes in the incidence of these problems between those in the Northern Territory on income management and those in the contrast sites is more meaningful.

Looking at the change in the incidence of problems, while the majority of survey participants subject to income management report no change, of those reporting a change, this is overwhelmingly in a positive direction. Indeed across all groups of people subject to income management, around 15 to 20 per cent report that these problems are a lot less than they were a year earlier. An additional, but more variable proportion reported that they were a little less.

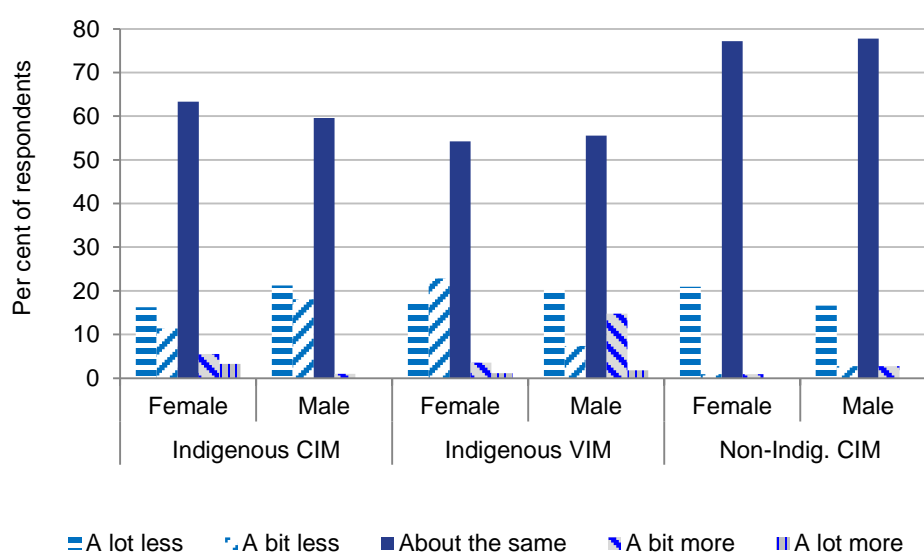
The least amount of change was reported by those Indigenous people living in non-NTER areas, and non-Indigenous people subject to compulsory forms of income management. When the changes over time are compared with the contrast populations, it appears that for Indigenous participants the extent of major falls in the incidence of problems amongst those on income management is only slightly above the contrast groups, but that the extent to which minor gains have occurred is markedly higher. This effect is most apparent for those

living in areas subject to the NTER. In giving reasons for the apparent change some participants, as well as citing income management and the BasicsCard, indicated that increased policing had played a major role, especially in regard to stopping alcohol being brought into communities. Multivariate analysis found no significant difference between the contrast population and the Indigenous subgroups on income management.

For the non-Indigenous population on income management, 21 per cent reported improvement. This was well above that of the contrast population, notwithstanding the higher rate of problems in the contrast population. In multivariate analysis the population of non-Indigenous people on income management had a significant (half a standard deviation) score, indicating a higher level of improvement.

The distribution of reported changes, by gender, for those in the Northern Territory are shown in Figure 10-5; while there are some differences in the responses by gender for some groups, there is no single consistent pattern by gender across the subgroups.

Figure 10-5 Northern Territory income management survey participants, change in the incidence of family problems by gender



Notes: CIM in this chart includes all compulsory streams.
Source: LSNIM, Wave 1.

A limitation in interpreting these questions is the relationship between many of the responses on the actual incidence of problems relative to the reported change. For example, looking at the group of Indigenous people on compulsory income management, the group with the largest proportion reporting that family problems were a lot less than a year previously (21 per cent) were those who also said they had no problems. In comparison, for those who said that they had a 'bit of a problem', the proportion reporting that problems were a lot less was 17 per cent and for those with a 'very big problem' the improvement was just 6 per cent. Looking more closely at the group who reported that at least one of alcohol, drugs and gambling was a very big problem, equal numbers reported a reduction in problems of either a bit or a lot (29 per cent) as those who

reported an increase, and the proportion reporting 'a lot more' (14 per cent) far outweighed the 6 per cent reporting 'a lot less'.

10.7.2 Impact of income management on children in the community

As well as asking survey participants about the changes for themselves and their families, the survey asked more generally about the extent to which people considered that there had been changes in the wellbeing of children. These results are given in Table 10-12.

Table 10-12 Northern Territory and contrast site survey participants, changes in children's wellbeing since the introduction of income management

	Northern Territory (income management)					Contrast sites	
	Indigenous				Non-Indigenous	Indigenous	Non-Indigenous
	Compulsory		Voluntary				
	NTER area	Not NTER	NTER area	Not NTER			
	Percentage point improvement (a)						
Healthier	50.9	42.1	62.5	36.4	7.4	12.6	0.0
More food	50.7	50.7	54.5	34.6	21.3	16.1	7.0
Safer	61.2	27.9	67.5	30.8	-3.5	2.4	-8.0
Better school attendance	55.1	37.1	63.9	21.7	14.8	14.4	-2.0
Happier	67.8	46.7	68.9	44.0	19.1	36.8	-5.2
Cultural activities	13.9	-18.1	24.1	-7.7	-3.4	-6.0	7.6
Maximum number of survey participants (b)	244	168	128	33	184	199	106

Notes:

(a) The number reporting an improvement less the number reporting a decline as a proportion of all of those reporting either an improvement, stability or a decline.

(b) The number responding to individual questions varied.

Source: LSNIM, Wave 1.

As with a number of previous questions, these questions were asked of both the income managed and the contrast populations and in this case, the same question format was used – whether or not they had noticed any change with regard to children in the location in which they lived in the previous 12 months. The questions had three response categories: an improvement; no change; or an increase in the problem. The table shows the balance of positive over negative change as a proportion of the whole population who responded to the question.

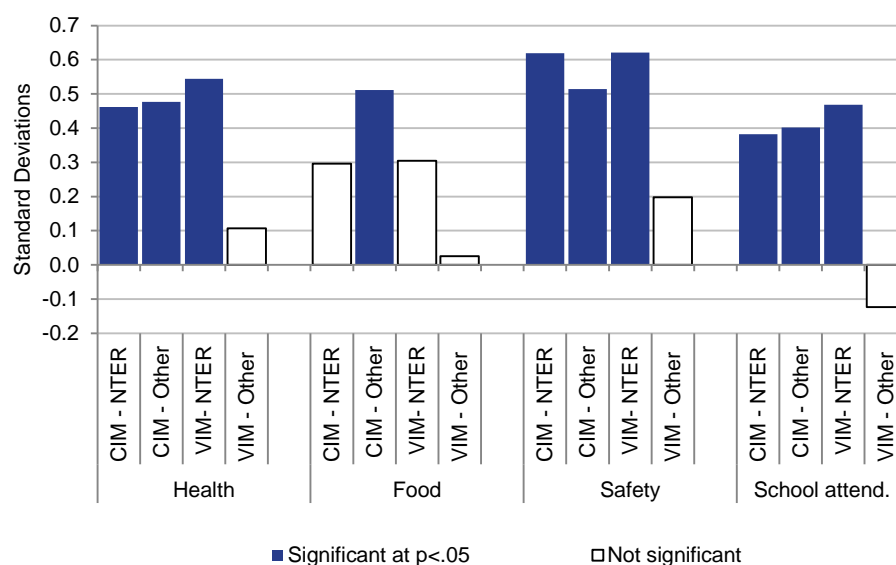
The overall results point to a perception of there having been very considerable improvements, particularly in the communities in which Indigenous income managed people live. This was most marked in those locations prescribed under the NTER. In these locations the balance of positive change was around 50 to almost 70 percentage points to all questions, other than cultural activities. In non NTER areas, the balance of positive to negative change was around 20 to 50 per cent. While the pattern of more positive outcomes in the NTER

communities persisted with regard to the question on cultural activities, the net gain was relatively low in these locations, and negative in the others.

While positive results were also expressed by the Indigenous contrast group who were on income support only, the magnitude of change was considerably below that of the group on income management. Indeed as illustrated in Figure 10-6, the multivariate analysis shows a series of positive and statistically significant associations between the major groups of Indigenous income management population and more positive outcomes for children relative to the contrast group. In most cases this is a difference of about half a standard deviation in the outcomes for children (results are not shown for happiness or cultural activities where none of the relationships were statistically significant).

Other than the weaker results for Indigenous people on Voluntary Income Management in non-NTER areas, potentially associated with the small size of this sample, the results are relatively consistent across locations and for those on Voluntary Income Management in NTER areas.

Figure 10-6 Major Indigenous sub-populations by type of income management and location, multivariate analysis of children's wellbeing, impact of different income management circumstances



Notes: CIM in this chart includes all compulsory streams.
Source: LSNIM, Wave 1.

The picture presented by non-Indigenous survey participants is less clear. While in response to four of the six questions they reported positive change, the magnitude of this was far below that of the Indigenous participants; and for questions on safety and cultural activities, the balance of responses was negative. The results, while not consistent, usually showed more positive change than that reported by the contrast group. The only statistically significant result relating to being on income management was with regard to children's happiness. Here non-Indigenous people on income management rated the change in children's happiness half a standard deviation above non-Indigenous people in the contrast population.

In drawing findings from these responses there is also some value in comparing these perceived trends with other sources of information. At this point in the evaluation there is only limited data available to do this. However, to the extent it can be done, as with the earlier analysis of perception of having sufficient money for food, it does raise the potential of there being a considerable gap between perceptions and actual change. As illustrated in Table 12-2, when surveyed in late 2011 or early 2012, up to 64 per cent of Indigenous respondents reported improved school attendance in their community. In contrast, administrative data on school attendance for Indigenous students suggested little substantive change. In Term 4 2011 it stood at 66.8 per cent, little difference to the 66.2 per cent a year earlier (Department of Education and Training, 2012).¹²³ Perhaps the most plausible explanation for this is that there is a general sense in these communities that things are improving, but it is difficult for community members to identify the specific nature or causes of these changes. This is an issue which, as noted earlier in this chapter, has been found in other research including evaluation of the NTER.

10.7.3 Impact on culture

As seen above, the responses to the question of change in children's engagement in cultural activities present a very mixed picture with stark contrasts between the NTER and other locations. The survey asked a further question of people on income management concerning the impact of the program on 'the way you practise culture or family obligations'. While this question evoked a large number of responses, there was little consistency in these. Some survey participants considered that income management improved their capacity to manage money and hence their ability to attend funerals and other activities. Others felt the impact was negative, with travel becoming more difficult due to lack of flexibility. Some reported changing the way in which they provided support to others in their families, for example providing assistance as food, rather than in cash.

10.8 Desire to exit income management

Responses to a direct question on whether people wanted to remain on, or exit, income management generated quite different patterns of responses for different sub-populations. These are illustrated in Figure 10-7.

Indigenous survey participants on various compulsory forms of income management were split roughly equally between those who wished to remain on and those who wished to exit the program, with around 20 per cent being unsure. While women had a greater tendency than men to wish to remain on the program, this tendency was relatively small.

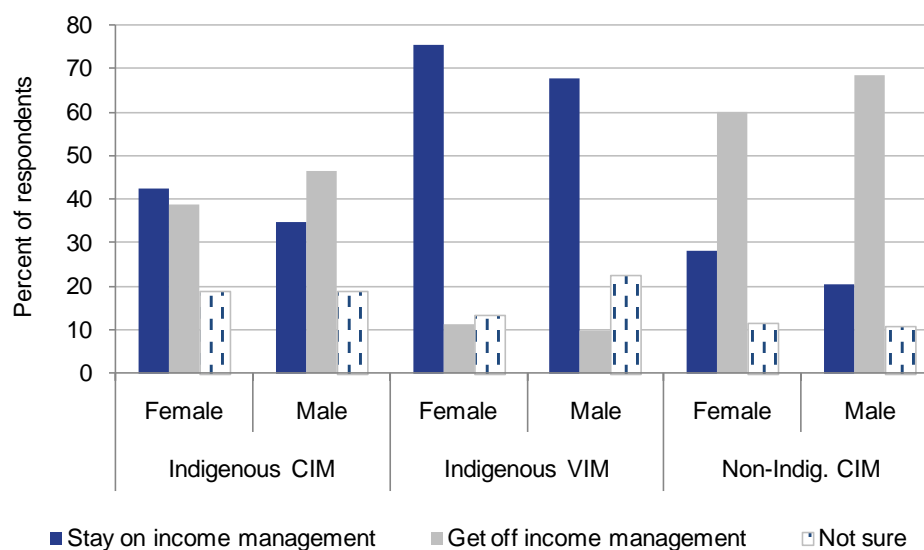
People on the voluntary measure are considered to have chosen to have been on this measure, and indeed only 11 per cent of women and 10 per cent of Indigenous men said that they wanted to get off income management, with

¹²³ While there is some variation in attendance patterns between schools, this does not seem to be an alternative explanation for this result. This pattern was relatively stable across schools in provincial, remote and very remote locations. In addition there were no major surges in enrolment.

three quarters of the women and two thirds of the men indicating that they wished to remain on income management, and the remainder being unsure.

Non-Indigenous people subject to various types of compulsory income management were more likely to want to get off income management (60 per cent of women and 69 per cent men). Only 28 per cent of women and 21 per cent of men responded that they wanted to stay on the measure.

Figure 10-7 Northern Territory income managed survey participants, whether they wish to remain on or exit income management



Notes: CIM in this chart includes all compulsory streams.
Source: LSNIM, Wave 1.

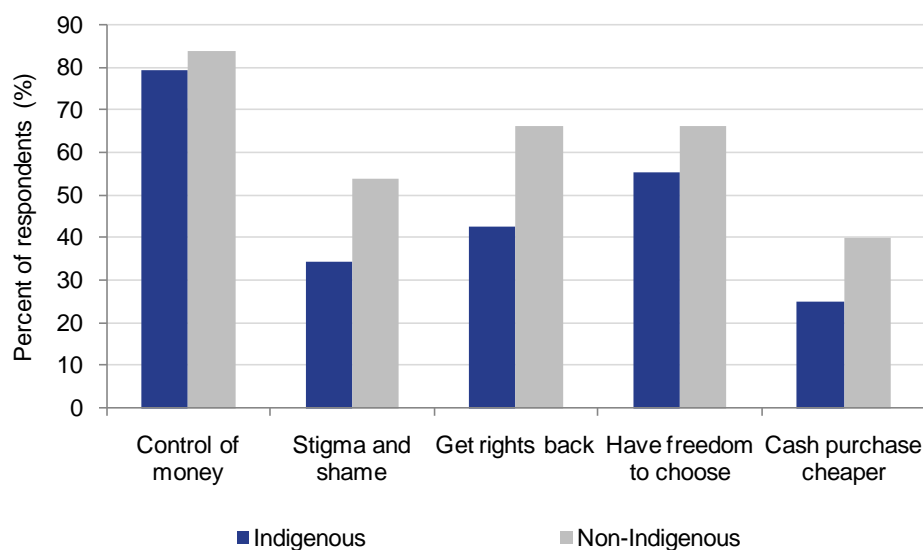
Consistent with a desire of many to exit compulsory income management, 42 per cent of Indigenous people subject to compulsory measures who participated in the survey indicated that they have tried or are currently trying to exit income management.¹²⁴ Amongst non-Indigenous people the rate is a little higher at 46 per cent.

The main reasons given for seeking to exit income management are detailed in Figure 10-8. Around 80 per cent identify a desire to control their money as one of the reasons for wanting to exit income management, followed by a desire to have 'freedom of choice', to 'get rights back' or because of a perceived stigma and shame in being income managed. Higher costs of shopping with the BasicsCard were also cited by 40 per cent of non-Indigenous survey participants and 25 per cent of Indigenous survey participants who had sought to exit the program. When asked what actions they were taking to build their case for an exemption, the most frequently cited response was seeking employment.¹²⁵

¹²⁴ Excludes those who were not sure.

¹²⁵ The way in which the data was collected meant that it was difficult to ascertain whether the actions being reported by individuals reflected changes in behaviour to specifically achieve an

Figure 10-8 Northern Territory survey participants subject to compulsory income management, reasons given for having sought an exemption



Notes: Totals do not add to 100 as respondents could give multiple reasons.
Source: LSNIM, Wave 1.

10.9 Overall feelings about income management

To provide some summary assessment of the views of people on income management, survey participants were asked whether 'overall' they felt income management made things better or worse for themselves, and secondly whether they would recommend it for others.

The only groups in which a majority of participants in the survey unambiguously saw income management as being better for them were Indigenous men and women living in former NTER areas on Voluntary Income Management. For these two groups 53 per cent and 57 per cent expressed these views.

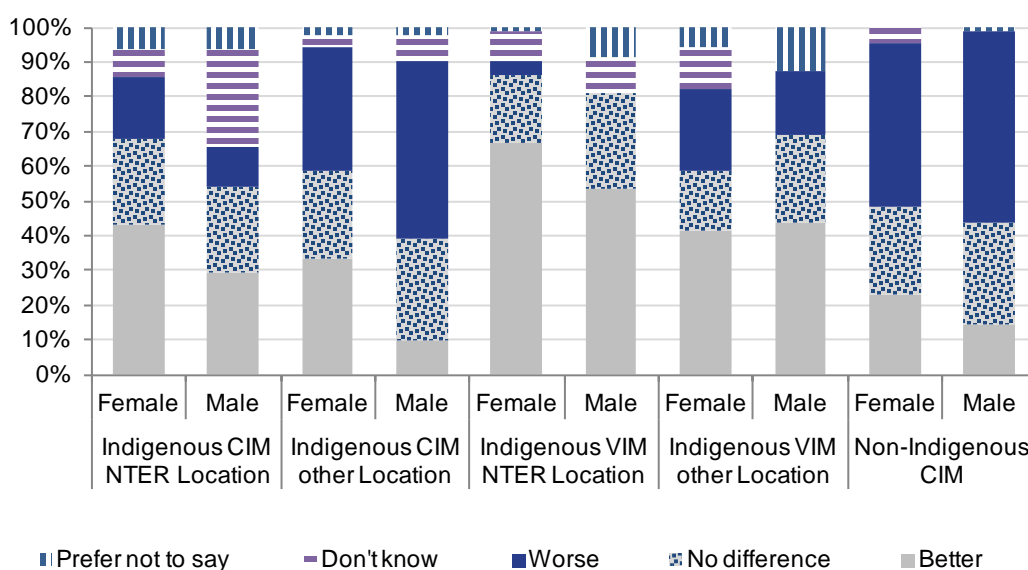
The strongest level of negative responses – that is, that income management had made things worse for them – were reported by non-Indigenous people on compulsory forms of income management, where 55 per cent of men and 47 per cent of women expressed these views. For these two groups, a total of 84 per cent of men and 72 per cent of women expressed the view that the program had either made no difference or had had a negative impact.

A slightly lower (but still high) level of negative response was given by Indigenous people on compulsory forms of income management living in non-NTER locations. These views were however more gender specific. A total of 61 per cent of women and 81 per cent of men in this group reported that the program had either no effect or a negative effect on them. However, at the same time 33 per cent of women and 10 per cent of men in this group felt that income management had made them better off.

exit from income management or were simply a continuation of what people had previously been doing.

A higher level of positive outcomes were reported by Indigenous people on compulsory income management living in NTER locations. Amongst women the proportion reporting that they were better off was 43 per cent, slightly larger than the combined number who felt it had no impact (24 per cent) or they were worse off (19 per cent). For men in this group, both the proportion reporting better and worse outcomes was smaller, largely as a result of over a quarter (28 per cent) reporting that they did not know whether it had made things better or worse.

Figure 10-9 Northern Territory survey participants, overall assessment of impact of income management



Notes: CIM in this chart includes all compulsory streams.
Source: LSNUM, Wave 1.

The general sentiment across those people on income management was that they would not recommend it to others, with only 36 per cent saying they would recommend income management to others, 47 per cent saying that they would not recommend it, and the remaining 17 per cent uncertain as to what recommendation, if any, they would make.

While there was some association between how people felt that income management had impacted on them and whether or not they would recommend income management to others, this association was far from exact. This is illustrated in Table 10-13 for the Indigenous population of the Northern Territory who were subject to income management, split by whether this was a compulsory or voluntary measure.

Focusing on the 36 per cent of those on compulsory measures who felt that income management made things better for them, only 59 per cent said that they would recommend it for others and 28 per cent said that they would not recommend it to others. On the other hand, 10 per cent of those who felt that the program made things worse for them still reported that they would recommend it for others.

Table 10-13 Northern Territory Indigenous survey participants, whether they would recommend income management by assessment of impact

Whether they would recommend income management to others	Impact of income management:				Total
	Made things better	Made no difference	Made things worse	Don't know/prefer not to say	
<i>Indigenous Compulsory</i>	- % -				
Yes	21.0	8.6	2.5	1.3	33.4
No	9.9	10.4	20.8	7.3	48.4
Don't know/prefer not to say	4.8	6.6	2.0	4.8	18.2
Total	35.7	25.6	25.3	13.4	100.0
<i>Indigenous Voluntary</i>					
Yes	39.5	4.5	1.9	0.6	46.5
No	12.1	8.9	2.5	7.0	30.6
Don't know/prefer not to say	7.0	8.9	1.3	5.7	22.9
Total	58.6	22.3	5.7	13.4	100.0

Source: LSNIM, Wave 1.

While various interpretations may be placed on these results it can be suggested that an underlying factor was that the program was seen by those answering the question as being suitable for some people in some circumstances, but not necessarily for all people in all situations. While a person may have found the program a negative for themselves, they might see that it would be useful for someone else.

10.10 Attitude to Centrelink

The survey also asked participants about their interaction with and views about Centrelink. A summary table of the results is at Appendix H.

10.11 Summary

This chapter has provided detailed information on the experiences of those on income management and their perception of its impacts. The analysis is based upon data from the first wave of the LSNIM, conducted in late 2011 and early 2012.

There are strong indicators in the data that many of those on income management do not understand how income management operates, which type of income management they are on, and why they are on it. While one of the central rationales of the program is to assist in addressing problems of spending associated with alcohol, drugs and gambling, most people on income management reported an absence of these problems for themselves and their families. Where these problems existed, people tended to consider them to be minor rather than major. While there is likely to be an under-reporting of these problems, either because participants didn't want to 'look bad' to the interviewer or because they don't think these issues are problems for their families, even though they may problems when more objectively measured, there is no doubt

that many of those subject to income management do not themselves have these problems.

When the question of change in these problems was considered, the results, while generally positive, appear to be substantially affected by two factors. Firstly, there is a wide range of changes associated with the NTER, including investments in improved policing and infrastructure. Secondly, in particular in the case of Indigenous people, the improvements were frequently broadly similar to those of Indigenous people living in the contrast sites outside of the Northern Territory who were not subject to income management.

A similar pattern emerged in the analysis of changes in financial problems within families. Again not only was there much diversity but the changes reported by people on income management in the Northern Territory were not dissimilar to those reported by other income support recipients in other states which have been used in this analysis as a contrast group. One exception to this was a reduction in the extent to which people ran out of money because they had given money to others.

Questions on perceived changes for individuals, their families, and communities, generally reported considerable improvements, often in excess of that reported by people living in the contrast sites. However, when it was possible to compare the perceived changes with more objective data (derived from administrative data sets) it would appear that the perceptions of change overstate the actual change that has occurred, at least in the dimensions measured by the administrative data or through other questions in the LSNIM.

While for a number of questions there were more positive responses by those living in NTER prescribed communities, this result was not consistent either across questions or across those on Voluntary income management and those on the compulsory streams.

Being income managed was for the majority accompanied by a sense of discrimination, embarrassment and a view that it was 'not fair'. While for many these feelings were only occasional, for others they were much more persistent – with 40 to 50 per cent feeling this way all or most of the time.

For some 30 to 50 per cent of those subject to compulsory measures of income management there was a strong sense of loss of control over money. In fact one of the most common reasons for seeking an exemption was to have control over their money.

Across the population being subject to compulsory measures there was an overall tendency by those participating in the survey to describe the impact of the program in terms of it making no difference or making things worse, rather than in terms of it being positive. This was not the case however with those on Voluntary Income Management, although even in this group a considerable proportion would not recommend the program to others. Rather, the data on both the overall assessment of the program and on whether they would recommend it to others reflects the diversity of views identified earlier in this section. To the extent there were differences by gender these tended to be differences of degree rather than men and women taking opposing views, and again there was a great deal of within-group diversity for both men and women.

Given the relatively short period that NIM had been in place at the time of the first wave of the LSNIM, the question arises as to whether it is premature to make any judgements on the impact of income management, and that longer time frames are required to allow the program to change behaviours. One way of assessing this is to consider the outcomes of those who had previously been on NTER IM and who hence have had a much longer exposure to income management. Such analysis does not suggest this is the case. Although the multivariate analysis has identified some cases of difference, there is little, if any consistency in this. Furthermore even when some difference is identified, it is often more in terms of muting negative outcomes.

The overall picture to emerge from the survey of those subject to income management is that people have very mixed views about income management and the impact it has had on themselves, their family and their community. Some participants report positive impacts on themselves, their families and communities and a substantial proportion report a desire to remain on the program. Others, however, report a sense of a loss of control, and a view that it has made their lives more difficult. A considerable proportion report that they find being income managed is embarrassing and shaming. For many others they report that that it has not made a major difference to their day-to-day lives.

11. QUALITATIVE INTERVIEWS WITH PEOPLE SUBJECT TO INCOME MANAGEMENT

11.1 Introduction

This chapter outlines the findings from the analysis of all the open-ended questions in the main LSNIM survey and the questions asked in the additional qualitative survey gathered in the Northern Territory locations. As described in Appendix D, the qualitative interviews mainly focused on the participants' experience of the BasicsCard and how income management had impacted on them. The quantitative survey also included a number of open ended questions. This chapter combines the responses to the extended survey with the qualitative responses to the main survey.

The chapter begins with an overview of the broad perceptions about income management. This is followed by a discussion of participants' understanding of why they were subject to income management and their experiences of consultation. The frustrations of day-to-day living while being subject to income management is then discussed, followed by some insights into the perceived impacts of income management on participants and their families.

While participants in the contrast sites did not take part in the extended qualitative interviews, some of these participants spontaneously provided opinions about income management to the fieldworkers. These are also included here.

In presenting these results it is noted that:

- The focus of this chapter is on seeking to identify the diversity of views – and not the balance. The more specific questions of the balance of views on specific issues has been considered in the previous chapter and will be addressed in the next wave of the LSNIM.
- In general those who favoured income management agreed that its main benefits were to reduce financial harassment and to ensure that a portion of funds were 'safe' and able to be spent on essentials. On the other hand, those who opposed income management expressed a wide range of different views about the principles of income management, its targeting, and its operation. To capture this diversity of views, and because in many cases people who might be supportive of some aspects of income management were often critical of others, there are inevitably more quotes

opposing income management than supporting income management in this chapter.¹²⁶

- As the survey was overweighted to non-Indigenous participants, the representation of views by non-Indigenous participants tends to be disproportionate to the share of non-Indigenous people on income management.

11.1.1 Qualitative responses in the survey

The longer qualitative interview was conducted with 95 respondents. There were a further 90 participants who undertook the shorter interview but who provided some qualitative data in the open ended components of the survey. At least some qualitative data is available from 185 respondents. This chapter primarily draws on data from the 95 respondents who undertook the full qualitative interview; however, where appropriate, it also uses the additional qualitative data provided by those doing the stand alone quantitative interviews.

11.2 Broad views of NIM

Qualitative responses from the surveys of people subject to NIM showed that there was a diversity of views about income management. Consistent with the findings from the quantitative survey, the qualitative responses tended to fall into one of three broad categories:

- those who saw NIM as being highly beneficial to themselves
- those who saw income management as being both good and bad in their own experience (or not good for them personally but good for others); this group also contained many who, while feeling somewhat put out by being income managed, found it had little real impact on their lives.
- those who held very negative views about NIM overall.

11.2.1 Positive perspectives on income management

People who expressed positive views about income management generally saw it as having enabled them to better provide for their families' needs. In particular, many participants spoke about the increased food security, health of children, and improvement to general wellbeing. In some cases, they previously felt negative, but having experienced income management, they now felt there were benefits to having part of their income support payments subject to income management.

I wasn't asked initially but I was taken off after six months or a year and then I asked to be put back on it 'cause it's easier to handle the money and all of my bills are paid for, for the first time ever I know how much money is left and all my bills are paid. It makes me pretty happy.

Non-Indigenous man, Darwin

¹²⁶ It is also emphasised that the LSNIM and other aspects of this evaluation were not intended to be a simple 'opinion poll' on income management. The survey framework was developed to be representative of the diversity of communities potentially affected by income management, rather than being structured as a random representative sample of the population as a whole.

At first I wanted to get off but now I am used to it. My family can't demand my money. It has got better as time has gone by.

Indigenous woman, Alice Springs

I don't mind the BasicsCard at least it's easy you got your money in each account the money in the BasicsCard is for my food, clothes, medicine and money I get in my card if for other things.

Indigenous woman, Darwin

Having a greater sense of control over money was an important reason why they viewed income management positively.

In the past my money would come and it would all be gone and the next day I would be starving but now I have more control and can save money for food.

Indigenous woman, Remote NT

For some, the limits income management placed on their ability to be able to buy alcohol and drugs was seen as a positive, allowing for food and other essentials to be purchased for themselves or their families. In some cases participants see income management as contributing to a reduction in alcohol or drug misuse.

I used to get paid and spend my money on drink. I used to be a heavy drinker but now I have the BasicsCard I have not been drinking. I only drink on special occasions. 'Cause I know I have food money and kids can't always get things I like it (income management).

Indigenous woman, Darwin

I was associated with an intravenous user and I was an intravenous user. I am recovered two years now ... I have done a money management course. I even get a monthly statement showing what I have spent my money on. I tried (to get an exemption) at the start but my social worker advised me to stay on it (income management). I have recommended that (income management) to a lot of people - especially people I know with drug abusing partners.

Non-Indigenous woman, Darwin

Helped me to manage my money and helped me with my problems. When I had cash I would buy alcohol.

Non-Indigenous man, Alice Springs

For others the positive impacts were expressed in terms of the community more broadly.

The green card (made the difference). Before when everybody used to get cash they used to spend it on grog and cards and they used to go hungry all the time and their kids too. Nothing now because everybody got the BasicsCards.

Indigenous woman, Remote NT

We can buy only certain things with the BasicsCard and not buy any grog or Gunja. BasicsCard, being income managed has slowed a lot of people down on spending their money on grog, gambling and drugs.

Indigenous woman, Alice Springs

11.2.2 Mixed views

Some participants had more mixed views about income management. These included those who experienced both positive and negative impacts of income management.

I don't have any money problems; I'm strong with my money and how much I give away to families. It's (income management) a good thing, but still the same as I always had control over my money during the intervention and now. It helps me a lot because of my age, easy to maintain (pay bills). But it can be harder because we only have money to survive till the next pay week. Can't afford to give money away to support in the grieving process and ceremonial. Can save you from starving cause you got the BasicsCard to fall back on when you're short.

Indigenous woman, Alice Springs

Sometimes I feel good about being on it because when I go shopping when people ask for money I show them the green card and they just walk away. But then I feel ashamed when I line up in the supermarket and everyone else is paying with their keycards.

Indigenous woman, Alice Springs

Some participants said it worked well but suggested it would be better if there was more flexibility about the proportion of funds managed. This reflects some of the interviews with Centrelink staff who also felt that some flexibility in the percentage of funds managed would make income management work better for some people.

But it has really helped me pay off all my bills. I would like to have more choice over what was on income management – like a third maybe. If I was asked at the time I would have said no but it did help at the time. Now I want to have more cash back.

Non-Indigenous woman, Alice Springs

Others said that they liked being able to pay their bills but didn't like the lack of consultation about being put onto it, or felt that it had deprived them of some rights.

BasicsCard is a good thing for me as I have money and food for my grandchildren when they visit me. ... The only bad thing about income management is government need to listen to us, hear our voice and don't make decisions for us. Just because our rights have been taken away just listen and hear what we want.

Indigenous man, Remote NT

I find it helped in ways, but you still need to have your right to receive your money 100 per cent.

Indigenous woman, Darwin

11.2.3 Negative views

There was also a group of participants who held very negative views about income management. These participants tended to report experiencing income management as something that stigmatised them and set them apart from others. For this group the term 'shame' was frequently used.

I felt like it marginalized people with a BasicsCard. It was brought in initially as an Intervention measure so I felt marginalised. If it had been introduced differently maybe it would have worked better.

Indigenous woman, Darwin

Them (Government) not telling me why I'm on it, I hate the BasicsCard and it takes away my independence. Even my kids are ashamed to use it. Just gets my whole family unit down.

Non-Indigenous man, Darwin

It's really embarrassing for me because I was working all my life and then you got strangers from interstate telling how to spend my money. When I ring up you got strangers asking me what I'm going to spend my money on.

Indigenous woman, Alice Springs

Some participants were strongly opposed to the imposition of income management on themselves but still considered that it may be appropriate for others.

[What is wrong with income management?] Everything. Nowhere to use it, lack of choice. I want control over my own money and where and how I use it. I'm grateful for the benefit but I can budget.

There is a yes and no for people – for bad spenders yes, but if you can prove you not bad spending then shouldn't be on it. Its discriminating, racist, prejudice, they shouldn't have the right to put you on there unless they can prove you are bad with money.

Non-Indigenous man, Darwin

In some cases income management was seen as a punishment for behaviours or actions that did not apply to them or as discriminatory.

I don't like it because I had full control of my money, we on BasicsCard now and we don't choose healthy food because there is nothing left on BasicsCard and cash, after rent, light bill and other payments from our pension same, we'll still find ways to go to funerals or go to ceremonials, but that might mean no food. I feel like someone is punishing me for something I did not do. I don't drink, smoke or gamble. I got punished for eating healthy and looking after my grandchildren. Aboriginal people have been talking, protesting year after year over the same things but still nothing happening and now policy gone wrong and blaming us, Aboriginal people for their (Government's) mistake. You (Government) mucking around with our heads our minds and our health making us live the white people way. It is making us sick adapting the government way of living. We have many families, extended families, not just your mother, father, son, daughter. When will they understand this?

Indigenous woman, Alice Springs

From beginning I was really upset about being forced to be income managed and fought it all the way. I felt I had no option. It wasn't explained that you could dispute this. I was upset because I was put on income management but I was managing well. I found Centrelink did not deal with situations, and I was given 4 different answers. They don't follow up on us to see if we are ok.

Indigenous woman, Darwin

For others there was a sense that being on income management was a punishment for something that was beyond their control, for example, for being unemployed.

I want to work and to receive proper payment not signing Centrelink form. I am not working now but still waiting for a job very soon. But while I wait I receive BasicsCard.

Indigenous man, Remote NT

11.3 Targeting – and the imposition of mandatory income management

As already seen above, some participants considered that income management had merits as a policy for some people – but felt that the mandatory imposition of it on people for whom there was no evidence of financial mismanagement was inappropriate. These participants often spoke about being good with their money and in control and tended to report that they did not need income management. For these participants income management was seen as a policy which may have a useful role but not appropriately targeted.

I have mixed feelings about it (income management). I don't feel that I need to be on income management but sometimes it is ok... The way they applied it hasn't exactly worked for all people. They got to remember not everyone is dysfunctional.

Indigenous woman, Darwin

For me there was nothing. I do. I think it is good for some but not everyone. Centrelink should see what a person is like before automatically putting everyone on it.

Non-Indigenous woman, Alice Springs

I would recommend this service for people who don't manage their income, but I feel I was penalised as I was nothing (not a drinker) - doing well.

Indigenous woman, Darwin

That the blanket application to all of the people using Centrelink payments and that there is no consideration of individual circumstances. In my case having a child in my care who has difficult and unusual circumstances and my annual budgeting strategy is taken out of my hands.

Non-Indigenous woman, Alice Springs

Less control of my life now. There should be some sort of assessment for people to see if there need for that person. I'm 63 and I damn well know how to manage my money. There's only so much you need to get of the BasicsCard money just sits there for nothing.

Non-Indigenous man, Darwin

[What is good about income management?] Nothing but I can see how it can help feed some kids but not mine as I've always had control of my own life and affairs and finances.

Indigenous woman, Darwin

The government is thinking very wrong about this income management this people they are accusing of not looking after their families it's like the stolen generation. The government is trying to blame them for these problems. I'm not Aboriginal and am from [country]. I don't think it has changed the livelihood of Indigenous Australia. This policy is nothing but a racist policy. This income policy is a racist policy. I don't think Centrelink should have introduced income management. The whole money management service doesn't work, it is a broken down service. Centrelink told me that if I saved \$500 they said they would match my savings but they didn't. I don't need income management to improve my life. Because of what happened 200 years ago the government is punishing the Indigenous people for their wrong doings. Being income managed isn't changing or helping my situation. Income management is a racist policy and I don't agree with it. I tried getting an exemption from income management but they refused me both times because my son has been absent from school. I don't force my child because of my cultural background, and if I did try to force him he could get me in trouble because back in my hometown life is different.

Non-Indigenous man, Darwin

11.4 Understandings of becoming subject to income management

Many people appeared to have only a limited understanding of the rationale for the introduction of income management.

Because I was told I must be income managed as I'm under 25 – that's the law.

Non-Indigenous man, Darwin

The reason they put me on in is because my age group are high drinkers, etc. I would be glad to take a drug and alcohol test to prove I don't do these things.

Non-Indigenous woman, Darwin

A significant group of Indigenous (and some non-Indigenous) participants indicated that they had no choice, and expressed a view that the policy is racially discriminating and judgemental.

What the government has done with this income management is not right because I don't need income management because I already know how to save and manage my money. Being income managed isn't changing or helping my situation. Income management is a racist policy and I don't agree with it.

Non-Indigenous man, Darwin

I was very frustrated at first because it was just lumped on us. We felt like bloody cattle lined up at a trough for water. It sucked, it hurt, was angry. We are citizens of this country, and government can't be doing these things to us to please themselves and make them look good. We are all human beings with feelings, voice and choice. They (government) don't listen to what we are saying, don't make decisions on behalf of us, (they should) make decisions with us.

Indigenous woman, Alice Springs

Income management and BasicsCard have made my life harder and gave me money problems... I think that the government is running scared of being called racist. They should have social workers assess those people who are presenting problems for those people who need to go on income management.

Non-Indigenous man, Darwin

Nobody came and asked me what my needs were. They just put me on BasicsCard whether I wanted it or not.

Indigenous woman, Remote NT

As discussed earlier in the chapter, others rejected the reasons for which they had been subject to income management.

They did not give me a reason. They said they did not want me to waste money on smokes and alcohol. I don't smoke and I very rarely drink. It made me frustrated they were judging me because I was a teenager.

Non-Indigenous man, Alice Springs

Some non-Indigenous participants see income management as something that has been done to them that is not fair, and believe it is in place only so that the government can avoid the racial discrimination claims. Other non-Indigenous participants simply have no idea why they have been subject to income management.

Many participants accused the government of not consulting adequately. Interestingly several participants in the contrast sites said that they would like the government to consult with them about introducing income management to their communities.

It should be tailored to each community. There were a lot of places it was imposed that needed it and some that didn't, it should be tailored to each community.

Non-Indigenous man, Darwin

Yes, I think they should come and talk to us first. Because we live in many communities and our shops are different from the shops in town. Prices are too high out in all the communities now. We going to be doing shopping with the BasicsCard and extra with cash.

Indigenous woman, Remote NT

11.5 Effectiveness

One theme which emerged in many of the qualitative comments is that in some cases income management has not necessarily been wholly effective as people find ways of getting 'around the system', or because problems manifest in other ways. For example some participants say there is more financial harassment due to the reduced cash available to family members who have addictions (smoking, alcohol, drugs or gambling). If they are unable to get cash, they often 'humbag' for the BasicsCard. BasicsCards are also used for currency in card games and gambled. This has led to some unintended consequences. The burden on the one or two working family members has greatly increased. Some participants mentioned that they may give up work because they were unable to stop the 'humbagging', and the pressure and stress of having less money for their own needs than they would if they were on income management was too much.

A number of responses talked about the way in which BasicsCard purchases could be converted to cash.

It's hard on income management. Paying for things like rent, power and my lawn mower to get fixed so I got friends that weren't on income management I'd do their shopping so they would give me cash to pay.

Indigenous man, Darwin

The kids are up at the shops spending the BasicsCard on crap. They try to trade their BasicsCard for cash, or buy things they can trade for cash.

Indigenous woman, Darwin

People still find a way to trade it in for money and when they spend their money they come and humbug you for your money or BasicsCard.

Indigenous woman, Alice Springs

While a large number of people reported that they felt that they were less susceptible to financial harassment with income management and the BasicsCard, some echoed the experience of the above person that income management did not offer protection.

It's hard for me because I'm old and my kids still rob me for my money.

Indigenous man, Remote NT

My family now control my BasicsCard and use it for food so I don't really see my card I just keep the money from my bank.

Indigenous man, Darwin

Sometimes it's good sometimes it's bad. Some of my families still humbug me for my BasicsCard.

Indigenous woman, Remote NT

Some people reported that the reduced amount of cash in the community had, in fact, increased the level of crime as people were more inclined to turn to crime to obtain money.

There are more robberies and violence due to less cash and this is thanks to the BasicsCard.

Indigenous man, Darwin

There was also some ambiguity with the consequence of the specific quarantining of money for basic items, suggesting that the balance of funds could be used for other purposes.

We share and help each other out. If me or my family have problems, we all share. But some of our families go and drink the hot stuff so they can still stay drunk all the time. I know if I want to spend my cash money on what I like I know I got money on BasicsCard for food. You can spend your cash knowing me and my family won't go hungry because there's money on BasicsCard and kitty account.

Indigenous woman, Alice Springs

Some people also suggested that instead of improving their spending, the inflexibility of the card made purchasing basics more expensive.

Just shame and at most places there is a minimum like \$10 or \$15 you gotta spend before getting something on your card so you're spending more then you need to.

Non-Indigenous woman, Regional

In other cases policies other than income management were seen as effective in changing things.

(Drinking has reduced) Because police stop all the cars in Alice Springs and when they come to the community.

Indigenous man, Remote NT

11.6 Impact of income management

Again there was diversity in perceptions of the impact of income management on participants' lives and those of their families. One very common theme was that not much had changed.

People didn't change their life when everybody got BasicsCard. I just know how to look after my money, I feel it's racist we knew how to look

after ourselves it should be for everyone not only black fellas. Treat us the same as the wider community.

Indigenous man, Alice Springs

The BasicsCard hasn't changed my life a whole deal. BasicsCard is good for people with problems but it's not a solution to the big problem.

Non-Indigenous man, Darwin

I would still look after my family the same way if I was on income management or not.

Indigenous woman, Remote NT

11.6.1 Impact on cultural obligations and practices

Many participants felt that income management made little difference to cultural practices – or involved just little adjustments such as providing food rather than cash.

Made no difference. Same. Still manage to practice all our culture and family obligations. No matter what, we still can do it.

Indigenous woman, Remote NT

It's helped biggest mob due to the fact that I can spend my money on the two things - cultural and it's influences and still have my money for the kids. I can't buy the stuff we need to buy for the Corroboree but I got the BasicsCard and so I can take the food out there which is good even though we got other ways now.

Indigenous man, Darwin

Some people reported that the BasicsCard and income management had made meeting obligations easier – in some cases because they perceived that they were better able to manage their money and have some savings to meet various obligations. In other cases, especially when travelling by road, it was seen as a good means of funding fuel and other purchases.

Easier for funerals or ceremonials me and families we use our BasicsCard and chuck in all the time and that's really good.

Indigenous woman, Alice Springs

Easier to pay for food for funerals and petrol for travelling.

Indigenous woman, Remote NT

Easier, 'cause I spend BasicsCard on fuel and etc. and have cash for pocket money when travelling out bush/ceremonial/family visit.

Indigenous man, Remote NT

Others, though, reported difficulties. Problems of paying for airfares were a particular concern for many.

It has when I've had funerals in the family and it really hard to travel to Tiwi Island and Alice Springs for them.... Had to get family to pay for it then pay them back in food.

Indigenous woman, Darwin

It's hard to pay for funerals or get to funerals. I'd rather have cash in my pocket.

Indigenous woman, Remote NT

11.6.2 Family and other activities

A number of people reported that they felt that income management had made it more difficult to engage in family and other activities. One subject that was raised in many of the interviews was the problem of paying for entry to cinemas, sporting events and shows, none of which would accept the BasicsCard.

It has changed family outing, I thought it was protecting the kids but you can't get or do anything they want with income management.

Indigenous woman, Darwin

It has affected the social activity with my children. Things like go to Crocodylus Park, the wildlife park, the bowling, things like go to a nice dinner or lunch with my children and sporting events and fees for my child's involvement.

Non-Indigenous woman, Darwin

When I went to take the kids to the Darwin show I couldn't get in because they wouldn't take the BasicsCard – the kids had to miss out.

Indigenous woman, Darwin

When we have international stars who come to perform in Alice Springs like big name rappers, we can't pay with our BasicsCard to get in to see the big acts. Even if we want to go to the football game we can't pay with our BasicsCard.

Indigenous woman, Alice Springs

One specific problem for some people was travelling to remote communities and then having a need to request Centrelink to pay for bills, transfer money between accounts or simply to check a balance.

Harder if I need to travel anywhere it's hard because I have to ring to put money on and there is no phone to do that in another community sometimes.

Indigenous woman, Remote NT

Harder, sometimes when I travel to other communities for sport or other, it is hard because there is no telephone to ring and find out how much money I've got.

Indigenous woman, Remote NT

More generally some found with less cash they were unable to assist their families or meet obligations such as purchasing presents.

Family obligations now it's a lot more restricted. To buy presents and stuff like that.

Indigenous woman, Remote NT

I can't help out my son at all. I will be on the BasicsCard as of next fortnight and I was on the BasicsCard prior to becoming a carer. I was

only off the BasicsCard for three and a half months. I am worried about my son when I am on BasicsCard.

Indigenous man, Darwin

11.6.3 Sense of control

A recurrent theme in many interviews was a desire of people for a sense of autonomy and control in their lives.

I went to college and we were taught about managing our money. I was really excited to be leaving school and experiencing life outside of college. As soon as I moved back to my community I was dumped with this BasicsCard. I was not prepared for this and now I struggle because I now have to adjust to the Government's way of money management. Not fair that this has come along. It's like, it's stopped me from wanting to experience life that I wanted my way, my choice.

Indigenous woman, Alice Springs

The reason why I don't like income management is because we don't make decisions on how we want to be paid because decisions are made by Centrelink.

Indigenous woman, Remote NT

In some cases the lack of control from being income managed was seen as being a barrier to coming off income management.

If I get off it then how will I manage my money? It will take me a while to get used of having cash and to manage it at the same time. Same as when I first came to be income managed it took me a while to say it was okay to live with.

Indigenous woman, Remote NT

For some, the frustration went even further, suggesting that income management was preventing them from seeking employment:

*F**n' sux. We can't fix our boat so can't work, so figure we will just stay on the dole, that's what they want anyway.*

Non-Indigenous woman, Darwin

11.7 Applying for exemptions

As discussed in Chapter 8, exemptions were a difficult issue for many. A number of participants mentioned that they had been advised that they were ineligible or that they did not meet the exemption requirements. Many of the participants did not know the eligibility requirements for accessing exemptions. Reflecting the qualitative interviews from Centrelink staff, participants who pursued an exemption after their initial enquiry spoke about difficulties in obtaining or locating all the relevant documentation and records to apply.

Didn't really get very far, I didn't meet the requirements.

Non-Indigenous man, Darwin

I went to apply for an exemption but got messed around. They said I didn't have the right information. All they needed was immunisation records - so now I have to do it all over again. I may not bother.

Non-Indigenous man, Darwin

Get full time work then you can get off it, that's what Centrelink said. I can't work, so how am I going to get an exemption?

Non-Indigenous woman, Alice Springs

Only reason that I got rejected was because sometimes my kids missed days of school but my ex and I have joint custody so if they don't go to school while they are in his care they penalise me

Indigenous woman, Darwin

Had to dispute my child was going to school. They said she wasn't. Collecting all the paperwork was too hard

Non-Indigenous woman, Darwin

11.8 Frustrations with aspects of income management

Participants in the interviews expressed a number of frustrations with the day-to-day experience of being subject to income management. Similar to the interviews with service providers, the most common frustration was the limited locations and contexts that the BasicsCard can be used in.

I don't think there is anything bad about income management but sometimes people on the hotline number aren't very helpful and don't treat you very well.

Non-Indigenous man, Alice Springs

Why should I wait in Centrelink line to get someone to pay my electricity bill?

Indigenous man, Darwin

This could limit people's ability to socialise or assist their families.

Before income management I had Centrepay. Once everything was done that money left was pocket money and going out money for me. I would use to like to go to the Cinema and get dressed up and go to the restaurants and teach my girls how to eat and be at all different places. Coles says we can't buy vouchers with BasicsCard, they wouldn't let me take my kids to the Cinema cause I wasn't allowed to buy gift cards. I sent my girls to Broome when I was in Queensland and they had no money so I bought the gift cards to give my girls toiletries and food. When I came back to NT I couldn't buy a gift card for my children and help them like I used to.

Indigenous woman, Darwin

It was also seen as restricting access to cheaper products outside of the major retailers.

There are limited retailers, wholesale meats, cheap vegetables - can't use at all stores.

Non-Indigenous woman, Darwin

Having to get special payments made by Centrelink for specific items was also seen as time-consuming and overly complex by some participants.

Also if you want to go to Harvey Norman to buy something you got to get their quote on how much it costs then back to Centrelink to get the money and then back. It is such a waste of time.

Non-Indigenous man, Darwin

They told me at Harvey Norman, Good Guys and then JB Hi Fi told me I need to go to Centrelink and get them to make a cheque and then it takes 3 days for that cheque to get to the shop and that is difficult.

Indigenous woman, Darwin

I couldn't put on ad in the paper. In order to do so I had to go to Centrelink and dick around waiting in line for them to give me a \$25 voucher to pay for the ad, all because they didn't accept BasicsCard. They think this card is a help!

Non-Indigenous man, Darwin

Another frequently reported concern was the cost of obtaining the balance on the card. For people calling Centrelink from their mobile phone to check their balance, this could be expensive – especially when there were long wait times to speak with a staff member on the telephone.

Waiting times when calling up for income management is a very long time you have to use your own credit up waiting on hold.

Indigenous man, Darwin

You don't know what your balance is and you have to call all the time.

Indigenous woman, Darwin

The processes around accessing money and finding out balances were also seen as overly complex and frustrating.

Difficult to access money in an income management account and it is a bad thing. Too time consuming and mind boggling. More secret passwords, more bureaucracy.

Non-Indigenous woman, Alice Springs

Not knowing your BasicsCard balance could also be embarrassing when shopping if you don't have enough to pay for your shopping.

Makes it easier, but some places don't take BasicsCard. Sometimes the BasicsCard lines go down it is a shame job, especially when I'm food shopping and I can't pay for the food. I don't find it a shame job being on BasicsCard but not knowing what is on your card is shame job when you can't pay.

Indigenous woman, Darwin

There were also a number of references to the system failing or making errors in various ways causing frustrations for the participants.

Sometimes the BasicsCard machine breaks down and we can't find out how much we can spend in the shops. Out of three shops one is really expensive, but this is the one that takes the BasicsCard.

Indigenous man, Alice Springs

When number is worn out the numbers on the card fade, and the machine can't read it makes me shame cause I have to leave my shopping.

Indigenous woman, Alice Springs

These frustrations appeared on the whole to be more problematic for non-Indigenous than Indigenous participants. This may be due to the longer period of time that Indigenous people have had to become familiar with the system.

During the last 4 weeks there was a glitch in the BasicsCard system and they couldn't process my payment with my BasicsCard. This was at Woolworths. They did let me take the groceries home but it was frustrating...

Non-Indigenous woman, Darwin

When going into Katherine ... make Centrelink pay for one day on the [service], but we sign the paper – then my payment continue being take it out. Centrelink visits every week. I see them. I tell them.

Indigenous man, Remote NT

Although you can cope with the BasicsCard it has had its difficulties like having to get mum to sign papers just to get it set up just to pay her rent. Had to get her to sign a stat dec because they didn't believe I was paying her rent.

Non-Indigenous man, Darwin

You have some control but very inconvenient if you forget to transfer your money on the weekend you're totally stuck.

Non-Indigenous woman, Darwin

11.9 Comments from comparison participants

Some participants from the contrast sites made unsolicited comments about income management at the introduction or conclusion of the questionnaire. Generally those participants who made these comments would like income management to be introduced into their communities. Some Indigenous participants had relatives in the Northern Territory or in their own state that are on income management. Similarly some participants in Cairns were aware of the income management policies as part of the Cape York Welfare Reform Trial.

I want BasicsCard because they all gamble here and they come back looking for money and I can't do that because I'm only young.

Indigenous woman, Remote Contrast Site

There are many problems in this community. The kids don't go to school and there is lots of fighting. I am tired of people asking me for money for food because they gamble. BasicsCard would help people have their food instead of humbug.

Indigenous woman, Remote Contrast Site

11.10 Conclusion

This chapter has explored in more depth the diversity of views and opinions regarding the effects of income management on the research participants. It should be noted that the majority of participants did not think that income management had made a significant difference to their lives one way or another, and therefore did not respond to the questions about how income management had changed their lives.

Of those who did believe that income management had made a difference, there were starkly differing views, with some participants believing strongly that income management had been positive, not only for them but for their families and communities, ensuring that money was kept 'safe' and that it was not spent on gambling, drugs or alcohol. Many of these participants also commented on the reduced financial harassment which was brought about by income management.

On the other hand there were many participants who strongly believed that income management had made their lives harder, restricting their ability to pay for ordinary goods and services and forcing them to buy from relatively expensive outlets. The bureaucracy and complexities of the program were also very frustrating for a number of participants, and their experience of the BasicsCard appeared to indicate that they found many aspects of its operation frustrating and challenging. A particular concern for a number of participants was the feeling of shame and humiliation when using the BasicsCard, especially when it did not work efficiently. Many participants also believed that income management itself is discriminatory.

Another group of participants saw income management as being inappropriate for them. Generally these were people who believed that they had always managed their money well, and that the imposition of income management had made money management more, rather than less difficult. Some of these participants were in favour of the policy as a whole, but believed that it should only be targeted at people with financial or money management difficulties.

12. EFFECTS OF INCOME MANAGEMENT ON RECEIPT OF INCOME SUPPORT PAYMENTS

One of the objectives of income management is that over the long-term it will improve employability and reduce reliance on income support payments (see Chapter 2). While the program logic sees the potential employment effects of income management being long-term, there may also be short-term impacts on employment and exit from income support. To the extent to which income support recipients see income management as an undesired restriction on spending or behaviour, the attractiveness of income support will therefore reduce relative to alternatives such as finding employment, relying on other sources of support such as family members, or transferring to a form of income support that is not subject to compulsory income management. These individuals might then take steps to move off income support, particularly into paid employment.

This chapter first provides descriptive information on the proportion of the Indigenous and non-Indigenous population in receipt of an income support payment who are subject to income management and how this varies with the length of time on their current income support payment. The chapter then describes the rates of exit from income support of various groups since 2001 for both the Indigenous and non-Indigenous populations, and explores whether there was a higher rate of exit from income support following the introduction of income management in 2008.

In this chapter the effects of income management on rate of exit from income support is estimated by comparing changes in outcome patterns between population groups which experience different patterns of income management over time. These outcomes can then be compared using a difference-in-difference approach.¹²⁷

The descriptive analysis of income management rates by duration in receipt of current income support payment and the exit rates are presented for both Indigenous and non-Indigenous people. However, the more formal analysis of whether the introduction of NIM impacted upon income support exit rates is

¹²⁷ An alternative approach would be to track the subsequent income support receipt of individuals on income management who do not receive an exemption, and compare these outcomes with those of people who do get an exemption. However, people who are exempted from income management are likely to be different from those who remain on income management in ways which are likely to influence their subsequent exit from payment. Using the available Centrelink data, it is not feasible to try to fully match characteristics to directly compare those who do and don't continue on income management.

restricted to non-Indigenous income support recipients under Age Pension eligibility age. In this part of the chapter the analysis is restricted to the non-Indigenous population for two reasons. First, very few non-Indigenous people were being income managed prior to 2010, so the difference in their income support experiences before and after this date can be informative about the impact of income management. Among the workforce age Indigenous population, however, the proportion income managed was roughly constant since September 2008 (see Figure 4-3), so we would expect much smaller changes (if at all) associated with the introduction of the NIM. Second, the changed administration of Community Development Employment Projects in July 2009 means that Indigenous income support numbers are not comparable before and after this date (new Project participants were incorporated into the income support system after this date).

The analysis is restricted to those under pension age because most Age Pension recipients are not subject to compulsory measures of income management (except for the small number deemed vulnerable), and also because people of work-force age are most likely to find employment and hence leave income support.

12.1 Numbers of income support recipients

Under NIM, as discussed previously, people are subject to Compulsory Income Management if:

- they are aged 15 to 24 years and have been receiving Youth Allowance, Newstart Allowance, Special Benefit or Parenting Payment for at least 3 of the last 6 months, or
- they are aged 25 years and above and have been receiving one of these payments for more than 12 months in the last 2 years.

Corresponding to these categories, we present results separately for those under and over 25 years, and also for those people receiving these 'Compulsory Income Management payments' compared with other payments (mainly pensions). In order to maintain comparability over time, we define Compulsory Income Management payments as including the payments listed above (Youth Allowance, Newstart Allowance, Special Benefit and all types of Parenting Payment) plus Austudy¹²⁸ and Newstart Mature Age Payment.

In addition, because families with children have available to them a wider range of reasons for exemption, we disaggregate by whether the person's income unit included any family payment.

The proportion of Indigenous and non-Indigenous Compulsory Income Management payment recipients who were income managed in September 2011 is shown in Table 11-1 and Table 11-2 respectively.

¹²⁸ For the NIM period, we thus erroneously define the (small) number of Austudy allowance recipients on apprenticeships as being subject to income management. However, this allows us to maintain comparability over time as many students currently receiving Youth Allowance would have been receiving Austudy under the payment regimes of the earlier years.

Table 12-1 Indigenous Compulsory Income Management payment recipients below Age Pension eligibility age: proportion income managed by age, presence of children and current payment duration, September 2011

	Current payment duration					
	0-3 months	3 >- 6 months	6 >- 9 months	9 >- 12 months	12>-24 months	Over 24 months
	- % -					
Under 25 years with children	58	67	80	77	82	86
Under 25 years, no children	29	69	87	85	86	78
25-64 years with children	45	52	54	57	78	77
25-64 years, no children	40	48	53	58	82	73

Population: Indigenous, below Age Pension age, Compulsory Income Management payment recipients resident in the Northern Territory. Payments are those subject to Compulsory Income Management after July 2010, plus Austudy. Children are Family Tax Benefit recipient children of either the recipient or their partner.

Source: Derived from the FaHCSIA Housing Dataset.

These rates of income management are disaggregated by the person's duration on their current income support payment. This duration measure is not the same as the duration measure used to determine eligibility for Compulsory Income Management. The duration measure used to determine eligibility is based on the number of fortnights receiving the income support payments over the previous two years (or six months for those under 25 years). The data provided to the evaluation team only contains information on the duration for which the person has been receiving their current payment.

Amongst Indigenous people aged under 25 years, the proportion who are income managed is, as expected, lowest among the short duration recipients. Nonetheless, 58 per cent of those with children and 29 per cent of those with no children in the under three month duration categories are income managed. This suggests that many short-duration income support recipients have previously experienced another spell of income support receipt.

For those aged under 25 years who have been on their current payment for more than 6 months, the proportion income managed ranges from 77 to 86 per cent. As has been discussed in Chapter 8, the main reasons for exemptions for this young population are those associated with attending education.

The rates of income management are much lower among non-Indigenous income support recipients aged under 25 years. However, the general pattern is similar with the proportion income managed lowest among the short duration (13 and 19 per cent income managed).

For the younger Indigenous group who have been on income management for less than 3 months, the proportion managed is higher for those with children than those with no children. However, for those who have been on their current payment for more than 3 months, the proportion on income management is in most cases higher for those with no children.

Table 12-2 Non-Indigenous Compulsory Income Management payment recipients below Age Pension eligibility age: proportion income managed by age, presence of children and current payment duration, September 2011

	Current payment duration:					
	0-3 months	3 >- 6 months	6 >- 9 months	9 >- 12 months	12>-24 months	Over 24 months
	- % -					
Under 25 years with children	19	28	37	50	40	33
Under 25 years, no children	13	32	31	38	22	25
25-64 years with children	20	20	17	17	31	30
25-64 years, no children	13	19	29	36	77	77

Population: Non-Indigenous, below Age Pension age, Compulsory Income Management payment recipients resident in the Northern Territory. Payments are those subject to Compulsory Income Management after July 2010, plus Austudy. Children are Family Tax Benefit recipient children of either the recipient or their partner.

Source: Derived from the FaHCSIA Housing Dataset.

For the young non-Indigenous group, the income management proportion of the population subject to income management tends to be higher among those with children because they are less likely to be in education. The reverse applies to those aged over 25 years. Here (except for the under 6 month groups) the income management rate is lowest for those with children since they are able to claim exemptions based on their children's health and education activities.

For the non-Indigenous, the demographic group with the greatest variation in income management rates across duration categories are those aged 25 to 64 years who do not have children. For this group, income management rates range from only 13 per cent for those just starting to be income managed, to 77 per cent for those on income management for more than 12 months. For the older Indigenous group (aged 25 to 64 years) there is relatively little variation between demographic groups. As negligible numbers of non-Indigenous people were income managed prior to mid-2010 (Chapter 4), these high rates of income management also imply a large change in the income management status of this demographic group. We thus now examine whether this was associated with any corresponding changes in income support receipt.

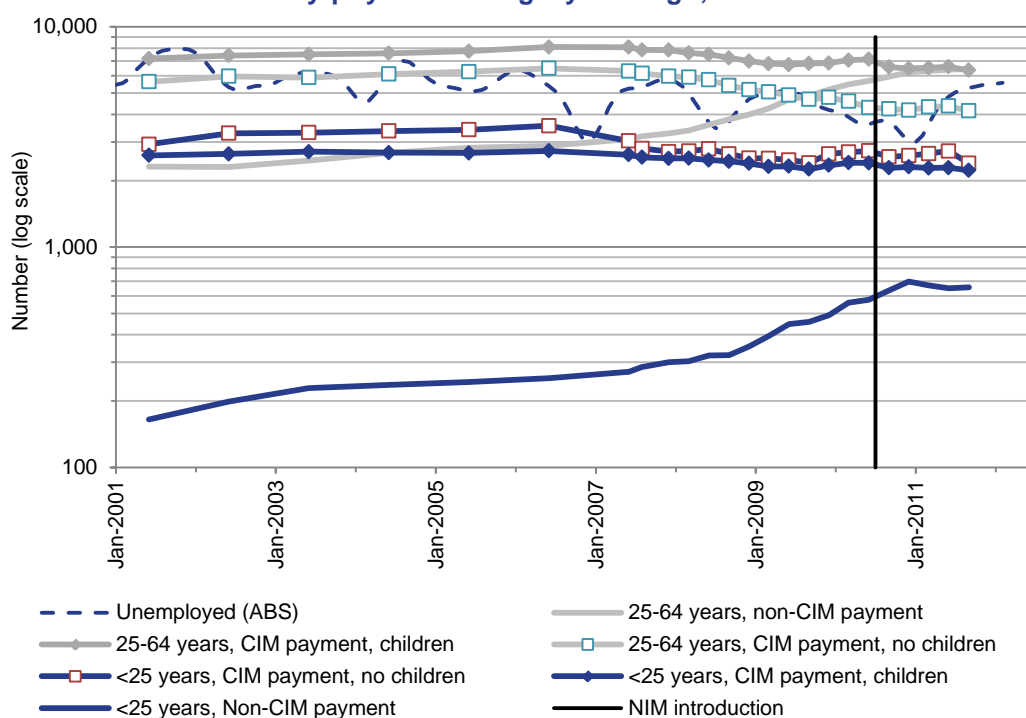
Figure 12-1 shows the number of Indigenous income support recipients in these demographic categories over the period 2001 to 2011 (as well as providing information for those not on Compulsory Income Management payments). Figure 12-2 provides the equivalent information for non-Indigenous people. For reference, both figures also show the ABS trend estimates of the total number of unemployed people in the Northern Territory (dotted line, Indigenous and non-Indigenous combined). Due to the small sample size, there is considerable year-to-year variation in unemployed numbers, but nonetheless this shows a clear trend of unemployment falling steadily over the period. There is a possible increase in unemployment during 2011, but this also might reflect sampling variability.

Note that the vertical axes in these figures are log-scaled so as to simultaneously present the sub-populations with very different population sizes. This also means that lines with the same slopes have the same proportionate change over time.

Focusing first on the period after the implementation of NIM (mid 2010), for both Indigenous (Figure 12-1) and non-Indigenous (Figure 12-2), Compulsory Income Management eligibility is associated with a drop in income support receipt. Those groups receiving income support payments which are not subject to Compulsory Income Management (mainly pensions) had steady or increasing numbers, while the remaining groups subject to Compulsory Income Management generally had falling numbers.

However, when these patterns are placed in the context of longer-term trends in income support numbers, such a simple interpretation disappears. For both the Indigenous and non-Indigenous, the trends post-July 2010 are generally quite consistent with those prior to that date.

Figure 12-1 Number of Indigenous Northern Territory income support recipients under Age Pension eligibility age by payment category and age, 2001-2011



Notes: The unemployment rate is the Australian Bureau of Statistics trend estimate for all Northern Territory residents (including both Indigenous and non-Indigenous).

Population: Indigenous income support recipients resident in the Northern Territory under Age Pension age. Compulsory Income Management payments are those subject to Compulsory Income Management after July 2010, plus some payments that were equivalent in prior periods.

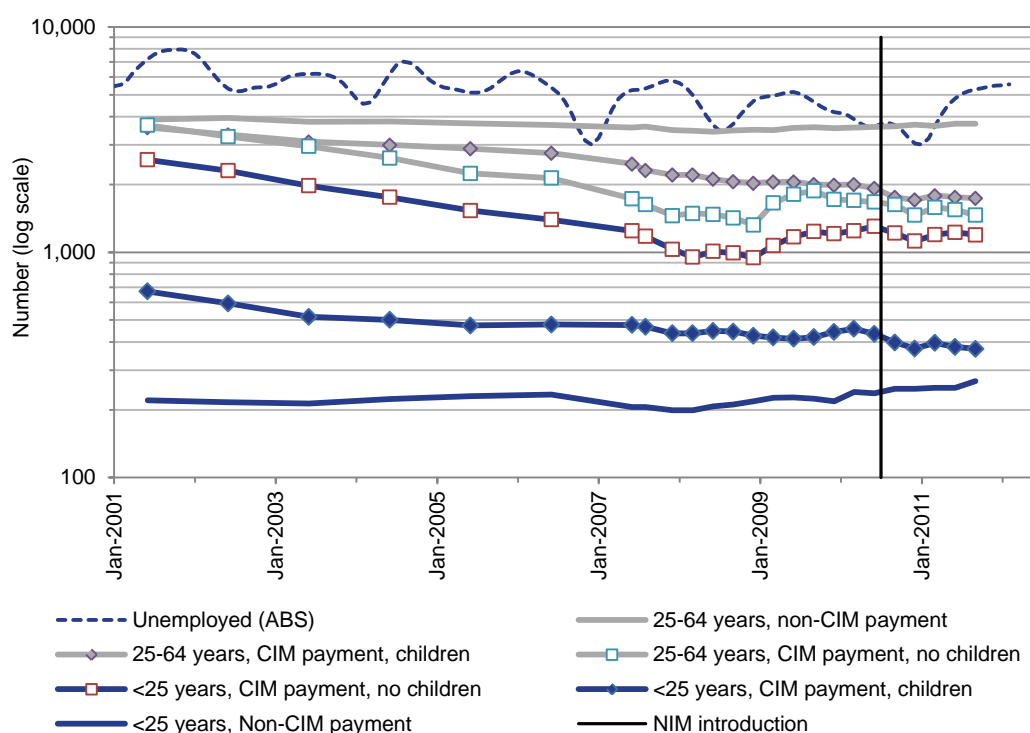
Source: Derived from the FaHCSIA Housing Dataset, Labour Force Survey (ABS, 2012).

For the two non-Indigenous Compulsory Income Management groups with children, there has been a steady fall in numbers since 2001, generally in line with the overall fall in numbers of unemployed people. For the two Compulsory Income Management groups without children, there was an increase in

numbers in 2009. This presumably reflects the impact of the brief economic slowdown in that period, even though there is no clear mirror to be found in the unemployment numbers (possibly because the latter are subject to significant sampling error).

For the two Indigenous Compulsory Income Management groups with children, there has also been a fall in numbers, but for this group the fall started in about 2006 and has been smaller than for the non-Indigenous group.¹²⁹

Figure 12-2 Number of non-Indigenous Northern Territory income support recipients under Age Pension eligibility age by payment category and age, 2001-2011



Notes: The unemployment rate is the Australian Bureau of Statistics trend estimate for all Northern Territory residents (including both Indigenous and non-Indigenous). Vertical axis is log scaled (so that equal slopes imply equal proportional changes).
 Population: Non-Indigenous income support recipients resident in the Northern Territory under Age Pension age. Compulsory Income Management payments are those subject to Compulsory Income Management after July 2010, plus some payments that were equivalent in prior periods.
 Source: Derived from the FaHCSIA Housing Dataset, ABS Labour Force Survey (ABS, 2012).

Given the combination of a long-term trend of falling income support numbers, combined with the cyclical patterns for some groups associated with the economic slow-down, it is thus difficult to discern any impact of income management on aggregate income support numbers.

However, this simple trend analysis is relatively insensitive to the introduction of NIM in several respects. First, the proportion of non-Indigenous income support

¹²⁹ For the Indigenous population there was a quite big increase in the number of people without children receiving a payment subject to Compulsory Income Management. This may have been a result of the economic downturn or potentially the impact of changes to the Community Development Employment Projects scheme.

recipients under pension age who were income managed was only around 18 per cent at the end of this period (See Chapter 4). As discussed above, this is because Compulsory Income Management requirements are only relevant to those who have been receiving income support payments for extended periods together with the opportunities for exemptions. Many Youth Allowance recipients are exempt because of their attendance in education, and many families with children are able to satisfy the infant health and school attendance requirements.

The above analysis disaggregates by age (relevant to education status) and the presence of children, but not by duration on income support. The most straightforward way to do the latter is to focus on exit rates from income support rather than income support numbers. Indeed, since it is long duration recipients who are most likely to be subject to Compulsory Income Management, exit rates are more likely to be affected than entry rates onto income support.

12.2 Exit rates from income support

We now examine exit rates from income support for the groups on Compulsory Income Management payments described above, disaggregated by their current duration on income support. For the reasons outlined above, this analysis is restricted to the non-Indigenous population.

Figure 12-3, Figure 12-4 and Figure 12-5 show the trends in income support exit rates for people with different durations of income support for the non-Indigenous population. We show results for the period June 2007 onwards – this is the period for which we have quarterly data on income support receipt. The populations are people receiving Compulsory Income Management payments at each date. The figures present results for the different family types disaggregated by age and presence of children.

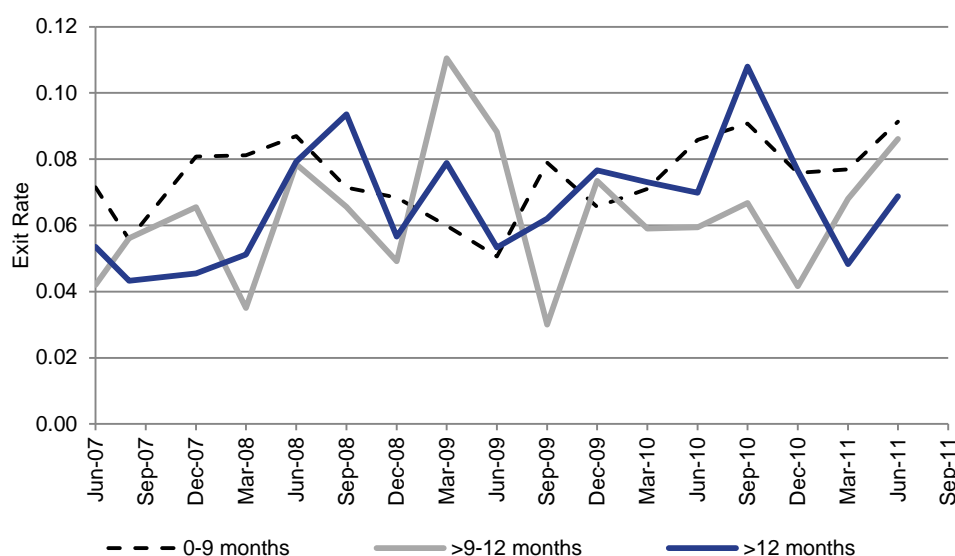
The figures show the proportion of people receiving a Compulsory Income Management payment at the indicated date who were not receiving a Compulsory Income Management payment three months later. Rates are expressed as percentage exiting per day. This includes exits to other income support payments (e.g. Disability Support Pension) as well as exits due to finding employment, choosing to not receive payment, their spouse finding employment, the person leaving Australia, and death. We have also disaggregated these exits into exits to other income support payments, compared with no income support payment, and comment on this disaggregation where we find substantive patterns.

Exit rates are disaggregated according to the person's duration of payment as at the indicated date. For the older population, we identify those people who have been on income support for more than 12 months (who would be subject to Compulsory Income Management), and those on income support for less than 9 months (who would be unlikely to be subject to Compulsory Income Management within the next quarter).¹³⁰ The intermediate group (9-12 months) are shown as a dotted line in the figure.

¹³⁰ Some might be eligible for CIM if they had a previous spell of income support within the last 2 years.

Figure 12-3 shows the exit rates over time for people aged 25 to 64 years without children. As noted above, this is the demographic group for which the income management experience of the short and long duration recipients is most different. However, in general, it is difficult to find any association between exit rates, duration on income support, and the introduction of NIM.

Figure 12-3 Exit rates from Compulsory Income Management payments by duration on income support: Non-Indigenous people aged 25-64 years, without children



Notes: The figure shows the proportion who were not receiving Compulsory Income Management payments three months later (expressed as an exit percentage per day).

Population: The population is people under Age Pension age receiving a payment subject to Compulsory Income Management as at the indicated date.

Source: Derived from the FaHCSIA Housing Dataset.

For the long duration population, there is a brief spike upwards in the exit rate in September 2010 (that is, over September-December period).¹³¹ However, this subsequently declines and indeed the upwards spike is not out of keeping with the general pattern of exit rate volatility over time; the high exit rate in September 2008 can be noted in the figure. Therefore we cannot conclude that the introduction of NIM led to an increase in exit rates for this group.

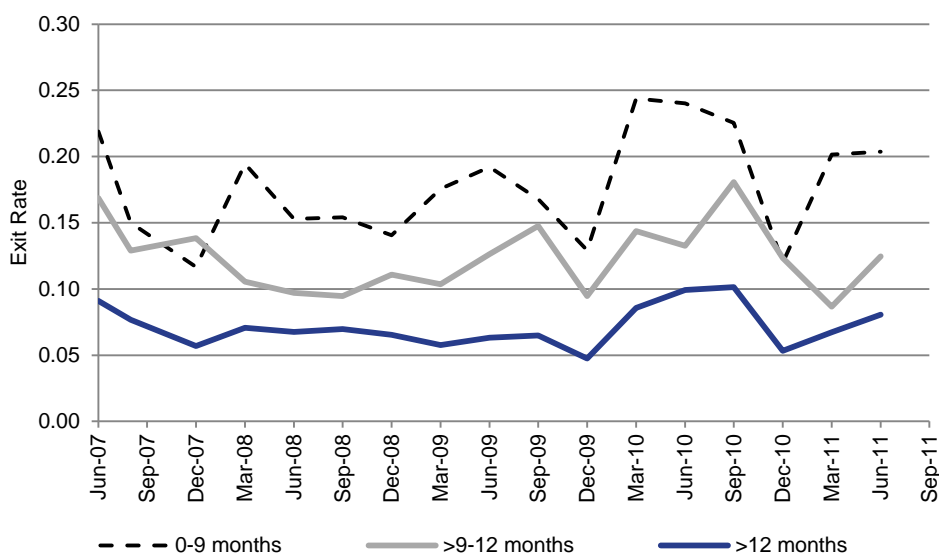
Figure 12-4 shows the corresponding exit rates for those aged 25 to 64 years who did have children living with them. Here, there is perhaps more evidence of an increase in exit rates for the population who had been on income support for over 12 months at around the time the NIM was introduced (starting in the quarter before). Between March 2010 and December 2010, the daily exit rate was around 0.03 percentage points higher than over the previous two years.¹³² Over this 9 month period this amounts to an additional exit of around 8 per cent of the long duration population. However, it should be noted that the exit rates

¹³¹ This spike was due to an increase in the exit rate to income support payments that were not Compulsory Income Management payments.

¹³² This increase is due to an increase in the exit rate to no income support payment (rather than to a non-Compulsory Income Management payment).

for the short duration income support recipients (fewer of whom were subject to Compulsory Income Management) were also high over this period, and that the increase was short-lived.

Figure 12-4 Exit rates from Compulsory Income Management payments by duration on income support: Non-Indigenous aged 25-64 years with children



Note: The figure shows the proportion who were not receiving Compulsory Income Management payments three months later (expressed as an exit percentage per day).

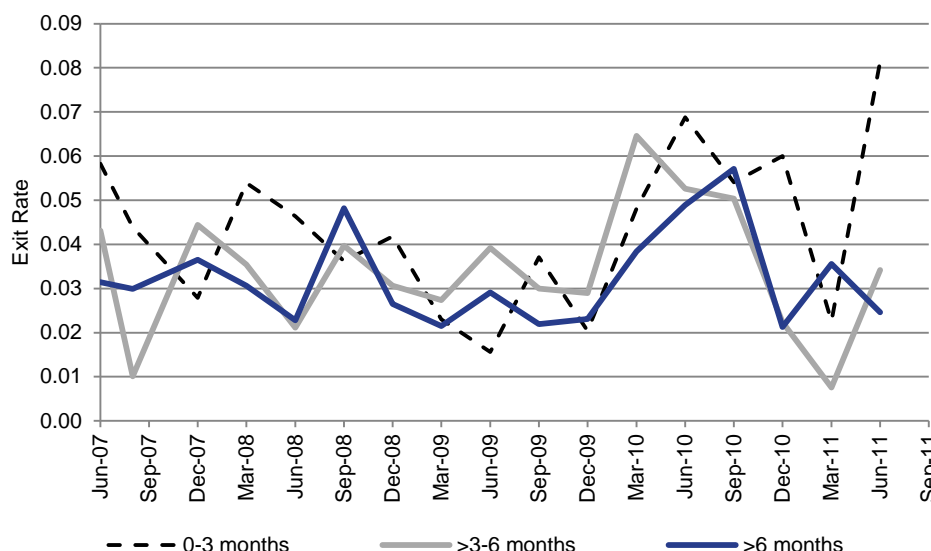
Population: The population is people under Age Pension age receiving a payment subject to Compulsory Income Management as at the indicated date.

Source: Derived from the FaHCSIA Housing Dataset.

The most we can conclude is that there is tentative evidence that for the older population with children, exit rates for the long duration population may have increased around the time of the introduction of NIM; however, this evidence is far from conclusive, given the natural volatility in exit rates.

Figure 12-5 shows the corresponding exit rates for non-Indigenous people aged under 25 years. Due to the smaller population size, we do not distinguish between those with and without children. The duration disaggregation is also different because of the different Compulsory Income Management rules faced by younger income support recipients. Here we distinguish those with durations of up to 3 months, who would only be subject to Compulsory Income Management if they had a previous recent spell of income support; those with at least 6 months of income support who would be subject to Compulsory Income Management; and those of intermediate duration who might become subject to Compulsory Income Management during the following quarter.

Figure 12-5 Exit rates from Compulsory Income Management payments by duration on income support: Non-Indigenous people aged under 25 years



Note: The figure shows the proportion who were not receiving Compulsory Income Management payments three months later (expressed as an exit percentage per day).

Population: The population is people under Age Pension age receiving a Compulsory Income Management payment as at the indicated date.

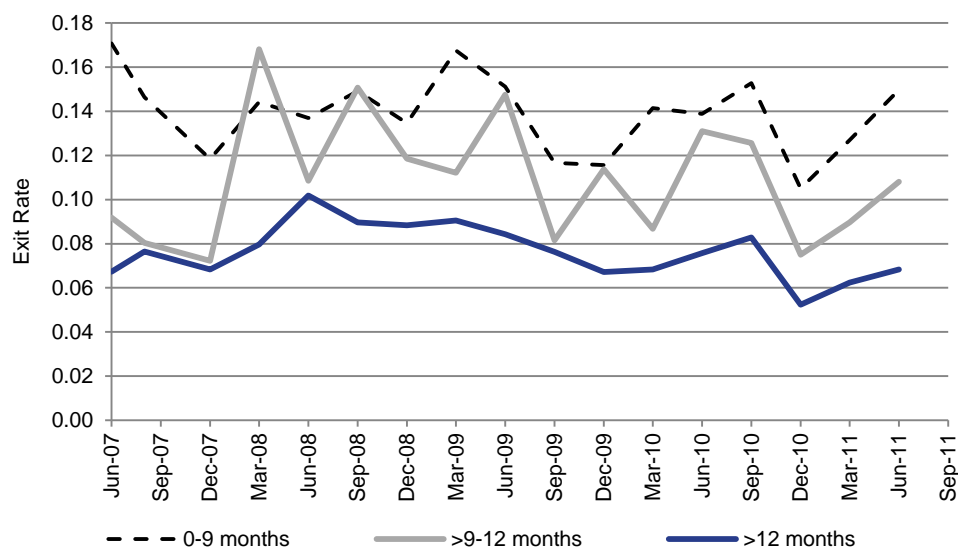
Source: Derived from the FaHCSIA Housing Dataset.

As for the older population with children, there is some indication that exit rates for the long duration category were higher than average in the second half of 2010, but this is even harder to distinguish from the background volatility – and exit rates for the short duration also increased over this period.

In summary, whilst there are some weak indications that exit rates for the population groups subject to NIM might have increased around the time of its introduction, this increase could well be due to the natural volatility in exit rates over time. We cannot clearly conclude that the introduction of NIM led to an increase in exit rates from those payments subject to Compulsory Income Management.

Figure 12-6 shows, as a point of comparison, the corresponding exit rates for the Indigenous population in receipt of Compulsory Income Management income support payments aged 25 to 64 years who had children living with them. For this group there is little evidence of an increase in the exit rate following the introduction of NIM in mid-2010. It is noteworthy that the Indigenous people who have been in receipt of their current income support payment for less than 9 months have a lower exit rate than non-Indigenous in this situation. However, for those who have received income support for longer, the exit rates of Indigenous and non-Indigenous with children are quite similar.

Figure 12-6 Exit rates from Compulsory Income Management payments by duration on income support: Indigenous aged 25-64 years with children



Note: The figure shows the proportion who were not receiving Compulsory Income Management payments three months later (expressed as an exit percentage per day).

Population: The population is people under Age Pension age receiving a Compulsory Income Management payment as at the indicated date.

Source: Derived from the FaHCSIA Housing Dataset.

12.3 Conclusion

Although the program logic predicts that the move off welfare and into work will be a long-term effect of income management, the introduction of the program may also have had a short-term impact of encouraging some income support recipients to move off income support into work (or off income support through other means).

However, the analysis of administrative data suggests that although there are some weak indications that exit rates for the population groups subject to NIM might have increased around the time of the introduction of NIM, this increase could well be due to the natural volatility in exit rates over time. We cannot clearly conclude that the introduction of NIM led to an increase in exit rates from those payments subject to compulsory income management.

Future evaluation reports will track the duration of income support receipt for different groups over time to identify whether there is a long-term effect.

13. CONCLUSION

13.1 Introduction

This chapter brings together the findings from the different components of the evaluation. These findings are based upon a study of over 800 people in the Northern Territory who are subject to income management; a comparison group of income support recipients outside of the Northern Territory; detailed analysis of Centrelink administrative data on income support recipients; and interviews with Centrelink staff, those involved in providing money management and financial counselling services, child protection workers and merchants in the Northern Territory. The evaluation has a greater breadth and depth of data available to it than any of the previous evaluations of income management in the Northern Territory. This has allowed a number of findings to be made about the impact of NIM and how it has operated in the first 12-15 months after its implementation. The findings primarily relate to short-run and early implementation effects; however, because many of those on NIM were previously on the NTER IM, the outcomes for a significant proportion effectively represent medium-term effects.

This chapter begins by addressing the implications of the findings for the evaluation questions which were set out in the 2010 *Evaluation Framework for New Income Management* that are guiding the evaluation (SPRC & AIFS, 2010). These findings are drawn together to form an initial evaluation of the program. In doing so the multiple sources of data have been used to cross-validate the key findings.

A strong theme which emerges from the evaluation is that there is a wide range of views about, and experiences of, income management. This means that it is not possible to draw simple overarching conclusions about the impact of NIM. Both the positive and negative aspects need to be considered in order to make an overall assessment of the effectiveness of NIM in achieving the objectives set for it. Ultimately these judgements need to take into account the program costs.

13.2 Implications of findings for the evaluation questions

The *Evaluation Framework for New Income Management* identified a number of specific questions to be considered in the evaluation. These are individually considered in this section.

13.2.1 Broad overarching questions across all four streams of NIM

Process evaluation

1. How effectively has NIM been administered and implemented?

Concern was expressed by some intermediaries who were directly involved in implementing NIM, as well as other stakeholders, that services were not well prepared for the introduction of NIM. This included a lack of consultation with NGOs and other services that were likely to be impacted by the introduction of NIM.

Centrelink staff who responded to the intermediaries' survey thought that the information provided to people subject to income management was sufficient to inform them of how it works and their rights. However, many people subject to income management reported a lack understanding of the measure, how it operates and why they have been placed on it.

Intermediaries asserted that the introduction of the BasicsCard has made living with income management a lot easier. However, they were also aware of the frustrations of many of those subject to income management, about the card and its administration. Those subject to income management also had mixed views on the benefits of the BasicsCard.

There also appear to be some significant issues around the implementation of money management and the Matched Savings Payment aspects of NIM.

Overall, the implementation of NIM, the rollout progressed relatively smoothly with no major challenges or impediments from an administrative point of view.

(a) What have been the resource implications of implementing the program?

This question cannot be answered in a substantive way at this stage. However, it is clear from interviews with Centrelink staff in particular that income management is a resource intensive program requiring sophisticated infrastructure and set up costs as well as a higher level of engagement between Centrelink and clients subject to income management; and the provision of a range of other services and advice. Even so there appear to be gaps in the level and coordination of resources, in particular in relation to support services for vulnerable clients and in relation to obtaining exemptions.

The reverse burden of proof associated with exemptions under NIM has also places demands on the skills and resources of people who wish to gain an exemption from being subject to income management.

(b) Have suitable individuals and groups been targeted by NIM?

A substantial proportion of people who are subject to Compulsory Income Management appear to be competent in managing their finances, are not subject to financial harassment, and live in families where alcohol, drugs and gambling are not seen as major problems. Compulsory Income Management is a blanket measure which applies irrespective of the circumstances of the individual, and exemptions are difficult to obtain, particularly for Indigenous people. Thus there appears to be a large number of people subject to

Compulsory Income Management who are unlikely to benefit from this measure, and for whom the restrictions of income management can create unnecessary frustrations and challenges. Just over a third of Indigenous and around a quarter of non-Indigenous people subject to Compulsory Income Management report that they wish to stay on income management.

We do not have enough information about Child Protection Income Management to make any judgement about whether suitable individuals and groups have been targeted at this point in the evaluation.

Similarly, we have little information about Vulnerable Income Management. Centrelink data shows that there are only a handful of non-Indigenous people subject to Vulnerable Income Management, although it is likely that there are a number of vulnerable non-Indigenous income support recipients in the Northern Territory who have not been placed on Vulnerable Income Management and may benefit from this measure.

Findings on Voluntary Income Management are reported separately below and are generally positive.

(c) Have people been able to transfer into and out of NIM appropriately (e.g. choosing to transfer from income management under NTER IM to Voluntary Income Management)?

There are two aspects to this evaluation question. The first concerns movements such as the transition from NTER IM to NIM. The second relates to the capacity of people to gain exemptions.

Transition from NTER IM

Implementation of NIM commenced on 9 August 2010 and was progressively rolled out geographically from the south to the north of the Northern Territory. The transition from NTER IM to NIM was virtually complete by February 2011, with just 118 people still on NTER IM.

Of those on NTER IM in July 2010, by October 2011, 44 per cent were on Compulsory Income Management, 0.2 per cent on Child Protection Income Management, 24 per cent on Voluntary Income Management and 1 per cent on Vulnerable Income Management. Of the remainder, 16 per cent were in receipt of an income support payment but were not subject to income management and 16 per cent were no longer in receipt of an income support payment.

Exemptions

Exemptions have been sought by 19.6 per cent of people subject to Compulsory Income Management and granted to just over half of those. In October 2011, 10.9 per cent of people who would have been subject to Compulsory Income Management were exempt from income management. The rate at which exemptions are sought and granted is much higher for non-Indigenous people. For Indigenous people on Compulsory Income Management, 13.2 per cent applied for an exemption, with a success rate of 36.5 per cent, resulting in 4.8 per cent gaining an exemption. For non-Indigenous people subject to income management, 48.7 per cent applied for an exemption and 79.6 per cent of those succeeded, resulting in an exemption rate of 38.8 per cent.

Some groups have very low exemption rates:

- Indigenous people, especially those living in NTER prescribed areas (1.5 per cent)
- people without children (1.0 per cent)
- larger families and families with older, rather than younger, children.

There seemed to be little support available to assist people in developing and presenting their case for exemption; gathering the supporting documentation was too demanding for many people. The centralisation of the exemption process in Darwin was also a barrier for people in other locations who prefer dealing face to face rather than over the telephone. The process for obtaining exemptions was seen by many stakeholders as imposing a heavy reverse burden of proof on people subject to IM to prove they meet the exemption criteria. Furthermore there is only a limited connection between the underlying role of income management, which is to ensure the responsible allocation of funds to meet basic needs, and the exemption criteria. That is, responsible money management is not of itself sufficient grounds for exemption.

There is a higher rate of exemptions for people with young children, when compared with families that have older children, is potentially at odds with the higher vulnerability of younger children.

The information collected from people who were subject to income management and from intermediaries and other stakeholders, the major differences in the rates of exemption between Indigenous and non-Indigenous and the very low rates of exemptions for some groups such as people without children and Indigenous people in NTER areas, raises substantive questions about the ways in which the exemptions policy and processes operate. These include the way in which decisions are made, the problems of reverse onus of proof (i.e. that people are assumed to have problems unless they can prove otherwise), and the need for people to assemble appropriate documentation. The high failure rate of applications for exemptions from Indigenous people on Compulsory Income Management and the interviews with Centrelink staff indicates that many of these clients are not adequately supported or informed about what is required in order to obtain an exemption.

(d) What has been the effect of the introduction of NIM on service providers?

The evaluation does not have enough data to quantify the effect of NIM on service providers other than money management and financial counselling services and merchants.

As stated above there was some concern expressed by stakeholders that a number of service providers had not been adequately prepared for the introduction of income management, but there is not sufficient information to make a definitive conclusion about this issue.

Administrative data suggests the money management services have had contact with a large number of people on income management, but very few people subject to income management have attended approved money management courses and even fewer have completed courses.

Very few people have received a Matched Savings Payment (15 in total) and the majority of these are non-Indigenous.

Interviews with money management service providers revealed significant concerns with how the Matched Savings Payment was being administered and with the content of the approved money management courses they were expected to deliver. Many saw a mismatch between what they were required to provide and what their income managed clients needed. Concerns included the referral process, the inappropriate nature of the course material (too high level for some and not appropriate for others), and the structure of, and expectations around, the Matched Savings Payment. These service providers reported that, while the approved money management course is tailored to Indigenous people, it was generally not providing the information needed, particularly in remote communities and for people with very limited financial literacy. It was also not seen as relevant to, or suitable for, some non-Indigenous people. Furthermore, the fact that the Matched Savings Payment is income managed is considered an insult by many service providers and people subject to income management.

2. What is the profile of people on the different income management streams?

This has been extensively documented in the main body of the report (Chapter 4). Some of the key characteristics are:

- 91 per cent are Indigenous
- 61 per cent are women
- 38 per cent are parents with children (19 per cent couples with dependent children and 19 per cent are single parents).

3. Have there been any initial process 'teething issues' that need to be addressed?

Several initial process 'teething issues' were identified. Examples relate to the coverage of BasicsCard merchants, referrals to money management and financial counselling services, and information on children's school attendance. FaHCSIA and DHS are aware of these issues and changes have been made to address them. Subsequent stages of the evaluation will examine whether these issues remain a concern for those affected by the program.

It is clear that the operation of the BasicsCard has improved over time. There remain however, some issues regarding obtaining information on balances in a cost effective manner. Again, some program responses have been put in place including the printing of account balances on receipts by some merchants.

The terms of reference for this evaluation do not include a detailed evaluation of the administration of NIM.

4. What are the views of participants in the NIM model and their families on the implementation of the program?

There is some evidence that a proportion of people subject to income management do not have a clear understanding of the program, the processes by which they were placed on it and their options for exiting from the program.

A number of people voiced strong concerns about the extent to which income management involves Centrelink staff in their personal financial affairs.

5. Has the measure been implemented in a non-discriminatory manner?

The evaluation did not identify any active and overt discrimination in the implementation of NIM in the Northern Territory, and there was no evidence produced that Centrelink staff tend to be prejudiced or discriminatory.

Income management has a much greater effect on the Indigenous than the non-Indigenous population in the Northern Territory. Its impact on the non-Indigenous population as a whole is marginal, whereas a substantial proportion of Indigenous people in the Northern Territory are affected by income management.

About 90 per cent of people subject to income management are Indigenous (virtually every person on Voluntary Income Management, Vulnerable Income Management and Child Protection Income Management is Indigenous) and Indigenous people are much less likely to apply for, or be granted, an exemption. In addition, as noted earlier, there seems to be little substantive support available to people who need to prepare cases to prove their applications for exemptions. Thus the parameters set for exemptions appear to effectively exclude a substantial proportion of Indigenous people from being granted an exemption from income management.

An overwhelming majority of both Indigenous and non-Indigenous people on income management had a sense, at some time or another, of being treated unfairly by being income managed, with many of these describing the program as being discriminatory. In particular, many Indigenous people subject to income management described the policy as being racist.

Indigenous people, especially those in NTER areas, were more likely to be positive about aspects of income management than their non-Indigenous counterparts.

There do not appear to be significant gender differences in perceptions of income management, although women are perhaps somewhat more positive about the measure than men.

Outcome evaluation

1. What are the short, medium and longer-term impacts of income management on individuals, their families and communities?

Given that this evaluation report relates to NIM around 12 months after it was rolled out across the Northern Territory, the focus at this stage is on relatively short-term impacts of NIM and for those subject to NTER IM, the medium-term impacts. In addition, it should be noted that for a minority the experience of income management is essentially only short-term with at least a quarter exiting before spending more than 12 months on income management. Two-thirds of those exiting Voluntary Income Management remain on income support this The majority (56 per cent) of those who exited from compulsory streams of

income management did so because they were no longer receiving an income support payment.

The data collected from those subject to income management provides clear evidence that for some people income management is perceived as having a positive impact on their lives. There is evidence that income management has reduced adverse outcomes from financial harassment amongst some groups. For example, across all Indigenous people on income management who were surveyed, the incidence of having financial problems as a consequence of giving money to others declined from around 50 per cent to 38 per cent. More detailed analysis suggests that this effect was much more concentrated in some subgroups than others. This perception of lower levels of harassment was supported by the data collected from intermediaries, particularly Centrelink staff.

Many survey participants subject to income management considered that income management is not making much difference to their own wellbeing or that of their families.

In some cases people subject to income management have mixed views about the program, for example valuing the BasicsCard but resenting the associated loss of autonomy.

There is also a group who perceive income management as having had a negative impact on their lives; although on balance, for most aspects of wellbeing, more people report positive effects than those who report negative effects.

The perceptions of those subject to income management about the impact of income management on the wellbeing of themselves and their families' needs to be compared to the reports of income support recipients outside of the Northern Territory and who are not subject to income management. In many cases the people interviewed in the contrast sites outside of the Northern Territory had similar perceptions of improvement, and therefore the reported improvements cannot necessarily be attributed to income management.

Indigenous people subject to income management, particularly those living in NTER prescribed communities, reported strong perceptions of improvements in child wellbeing in their community. Two cautions need to be exercised in interpreting these findings.

- The first is the extent to which such perceptions are not confirmed by objective data where it is possible to test this. For example, school attendance has not, on average, improved in these communities. This is also the case with some of the other responses to questions on the impact of IM. For example amongst Indigenous people on income management, there was a statistically significant perception of an improvement in their ability to afford food but this was not matched by the extent to which they reported running out of money for food.
- The second is attributing these perceived improvements specifically to income management, given the major policy changes associated with the NTER and the substantial additional resources spent in the Northern Territory since it commenced. In identifying this, the analysis also specifically considered whether these findings were potentially indicators of

the longer term effects of income management, as many people in these areas had been subject to income management under the NTER. The analysis did not find consistent evidence to suggest that exposure to NTER income management per se was associated with more positive outcomes or perceptions of wellbeing.

Many of the people subject to income management who reported that it makes little material difference to their lives also reported being left with a sense of having been treated unfairly and being disempowered.

For others being subject to income management is experienced as restrictive and frustrating, making their lives more difficult and complicated, and in some cases limiting their ability to fully engage in community life. Many in this group also find income management disempowering.

Overall, there is a strong sense of unfairness amongst many of those subject to income management, with only a quarter feeling that it is never unfair. Income management and the BasicsCard are strongly associated with the NTER and this may have exacerbated these feelings for many people.

Overall non-Indigenous people subject to income management are more negative about the program than Indigenous people, and a higher proportion of this group believe that income management has made no difference or has been harmful to them and their families.

Two-thirds of those subject to income management report that their family does not have problems with alcohol, drugs or gambling. The experience of other studies indicates that these problems tend to be considerably under-reported in surveys. Nevertheless, the evaluation evidence appears to indicate that a substantial proportion of those subject to income management do not have these types of problems. This raises questions about the targeting of Compulsory Income Management.

The ways in which the exemptions policy and procedures have been applied do not appear to be effective in providing a link between financial management and exiting the program, as described below.

People subject to NIM expressed a diversity of views about the measure. When asked whether the program had made things better for them, 36 per cent of Indigenous people on compulsory forms of income management reported it was better, 26 per cent that there was no difference, and 27 per cent that it had made things worse. The balance was uncertain as to the impact of income management. Amongst Indigenous people on Voluntary Income Management, around 61 per cent said it had made things better; amongst non-Indigenous people on compulsory streams of income management 51 per cent said it had made things worse. Around 60 per cent of Indigenous people on compulsory streams of income management and 65 per cent of non-Indigenous people would not recommend the program to others, nor would 40 per cent of Indigenous people on Voluntary Income Management. Non-Indigenous people and Indigenous people living in areas outside NTER prescribed areas on compulsory forms of income management are most negative. Those on Voluntary Income Management and Indigenous people on compulsory forms of income management living in NTER prescribed communities are most positive.

Women have a slight tendency to be more positive about income management, although the differences in perception between women and men are not great. Most of the variation in perception was within each of these groups.

The emerging picture from this initial evaluation is that income management is impacting different groups of people in different ways. There is evidence that income management can be an effective intervention for some people, either as a form of self-management through Voluntary Income Management or for individuals with demonstrated problems managing their finances, being subject to harassment or misusing substances. There is support for the measure in these contexts from most Centrelink staff and money management and financial counselling service providers as well as many of those on income support. On the other hand, as a general measure applied to large portions of income support recipients, it appears to have far fewer positives and involves a number of potential downsides. These include provoking a sense of disempowerment and resentment, with no clear path between managing money responsibly and exiting income management. This issue of a lack of a clear exit strategy for people subject to Compulsory Income Management was a prominent theme amongst intermediaries, with Centrelink staff in particular noting concerns.

This issue is also relevant in the case of exemptions. Responsible financial management is not of itself sufficient grounds for gaining an exemption. Rather, there is a requirement to demonstrate 'socially responsible behaviour' either with regard to education and other activities for children, or employment.

The mixed results identified in the evaluation reflect several factors. Firstly, there was a strong sentiment that income management is an appropriate measure for some people, but is seen as unnecessary for many. Secondly, some aspects of the program are viewed more positively than others. For example, for some people income management is stigmatising and unfairly limits where they can shop and what they can buy, whereas for others the reduction in harassment considerably improved their wellbeing.

(a) How do these effects differ for the various streams of the program (mainstream, voluntary, child protection, vulnerable)?

Voluntary Income Management is generally viewed positively by those who have chosen to be income managed. However, amongst some intermediaries and stakeholders there remains a degree of uncertainty about the extent to which all people on the measure made fully informed choices to be income managed. In the LSNIM survey there is evidence that some people on Voluntary Income Management were confused about whether they chose to be on income management. After the initial implementation period the numbers on Voluntary Income Management have been relatively stable, although there are some signs that the number may be drifting down; this is more marked amongst the small group who had not been subject to income management under the NTER. On the whole, people on Voluntary Income Management are more positive about the measure and its effects than people subject to compulsory forms of income management. At this stage of the evaluation, it is unclear to what extent the incentive payment has a role to play in these findings.

The numbers of people on Vulnerable Income Management and Child Protection Income Management are small – 45 on Child Protection Income

Management and 198 on Vulnerable Income Management in October 2011. These small numbers mean that we do not have enough data in the first wave of the longitudinal survey to enable the evaluation to report separately on the impacts of these measures on the wellbeing of individuals. Centrelink staff and some money management and financial counselling service providers were of the view that Vulnerable Income Management could assist and was a useful tool for a small number of people in specific circumstances who do not volunteer for their income to be managed. Even so, most of these staff expressed a preference for people whose circumstances would be appropriate for these two compulsory measures to go onto Voluntary Income Management.

Compulsory Income Management (CIM) appears to provide benefits to some people. The program appears to have potential benefits for those who are in acute or chronic financial difficulties or who are subject to financial harassment. For many others there are few, if any, gains, and often a sense of loss of control, shame and unfairness.

From the evidence we have collected it appears that income management seldom in itself motivates people to develop the skills to manage their finances (where these are lacking), obtain paid employment or parent more adequately. There is little evidence that it is bringing about the behavioural change necessary to generate the intended long-term effects. The program logic for NIM indicates that income management is only one of a range of interventions which are necessary to change behaviour, and the evaluation has found that many of those subject to income management have not accessed appropriate services or interventions which, according to the program logic, are necessary to facilitate longer term change.

Taken as a whole, the data collected for the evaluation to date indicates that income management can reduce control over financial management for some people and provides some indications of the possibility that it may encourage passivity and a loss of self-reliance in the longer term for a proportion of income support recipients. The data suggests that the majority of those subject to income management will continue being income managed for an extended period of time.

This mix of findings was broadly echoed in interviews with a range of intermediaries who expressed concerns about the purpose of Compulsory Income Management and its impacts on long-term income support payment recipients in particular. The respondents tended to argue for a more targeted approach that went beyond unemployment, even long-term unemployment as a reason for being subject to income management. Similarly many of the survey participants who were subject to income management felt that this measure was suitable for them but not others, and vice versa – that it was suitable for others but inappropriate for them because they had been managing their finances adequately before being subject to IM.

As we report below, the associated components of Compulsory Income Management: Matched Savings Payment, exemptions, and completion of approved money management courses, appear to have had a marginal impact and are not taken up by many people, especially Indigenous people. The money management and financial counselling services provide assistance to a large number of people on income management, but it appears that much of

this is short-term assistance rather than directly building budgeting and financial management skills.

The further waves of the longitudinal survey data collection in this evaluation, which will track the experience of people subject to income management, will provide much more definitive insights into the longer term effects of income management on income support recipients, their families and communities.

(b) Have there been changes in spending patterns, food and alcohol consumption, school attendance and harassment?

As outlined in the Evaluation Framework (and Chapter 3), the most important data for answering this question will be the population level data, especially for the Indigenous population who are most affected by income management. In general, this data is not yet available for 2011 and so it is not possible to answer this question at a population level as yet.

Data on spending of income managed funds is not available in a form which allows actual patterns of expenditure to be examined. Only data that relates to the proportion of income which is managed is available.

The specific effects of income management on school attendance are difficult to measure as we do not have data that links school attendance and income management. However, the effects appear to be rather limited. If school attendance outcomes are assessed by the number of exemptions granted as a result of meeting the school attendance criteria, then the impact has been marginal, as only a relatively small proportion of those with children have been granted such exemptions. This is particularly the case for the Indigenous population.

While in the survey, as noted earlier, a large proportion of Indigenous participants reported higher levels of school attendance in their community since the inception of income management, there is no clear evidence of such a change in attendance to the end of 2011. This finding is in line with the NTER evaluation which found similar positive perceptions but no overall increase in the level of school attendance reported in the administrative data.¹³³

The LSNIM provides some evidence of a reduction in financial problems as a result of giving money to others. However the problem remains significant, including for people who have been on income management for an extended period under the NTER. The survey of intermediaries and others confirms the perception that income management has been effective in somewhat reducing the adverse consequences of financial harassment, although there is no data on its actual prevalence.

¹³³ See <http://www.det.nt.gov.au/students/at-school/enrolment-attendance/enrolment-attendance-statistics> and more detailed tables at http://www.det.nt.gov.au/data/assets/pdf_file/0014/26510/Collection8Nov.pdf.

(c) What impact does NIM have on movement in and out of Northern Territory among people on the measure?

There is no evidence of any change in the level of movement in and out of Northern Territory among people on the measure. Future evaluation reports will track movements into and out of the Northern Territory for different groups over time to identify whether there is a long-term effect.

While a number of the people identified as exiting income management are recorded as continuing to receive income support in locations outside the Northern Territory the extent to which this occurs is not inconsistent with other indicators of mobility.

(d) Has NIM contributed to changes in financial management, child health, alcohol abuse, violence and parenting (i.e. reduced neglect)?

There has been insufficient time for any long-term impacts from NIM to have occurred. However, as noted above, in prescribed NTER areas where a form of income management has been operating since 2008, medium-term impacts may have occurred. There is some indication from the first wave of LSNIM that in NTER communities there are perceived improvements in many of these outcomes, particularly in relation to children's wellbeing. However, as noted above, these perceptions are not always reflected in other more objective measures such as school attendance. Given the multiple interventions and areas of improvement it may be difficult for community members to identify the specific causes or particular areas of improvement. Similarly this evaluation could not identify any direct contribution of income management to these perceived improvements.

With regard to alcohol consumption it is very difficult to disaggregate the effects of income management from the many other initiatives in the Northern Territory, and improved policing of alcohol restrictions was cited by some survey participants as a positive. Survey participants report low levels of alcohol, gambling and drug misuse in their families, but also report improvements since income management especially in NTER communities. With the exception of children's wellbeing and financial harassment mentioned above, the levels of change perceived by survey participants subject to income management in the Northern Territory were, in general, similar to those of people on income support in the contrast sites who were not subject to IM.

We do not have sufficient data at this time to tell whether income management has had a significant impact on gambling. Data from the qualitative interviews with people subject to income management, intermediaries, and other stakeholders, suggests that there has probably been a reduction, but mechanisms such as the BasicsCard have not been able to fully protect the use of income managed funds from this.

(e) Do the four streams achieve appropriate outcomes for their participants?

Full exploration of this is a longer term question and the subject of future evaluation reports. Moreover, as noted above, the vast majority of people are subject to Compulsory Income Management and Voluntary Income Management; because Vulnerable Income Management is restricted to a small

number of people, and Child Protection Income Management is rarely used, we are unable to separately assess the outcomes for these two measures. The sections below provide some findings on the outcomes for people on Compulsory Income Management and Voluntary Income Management.

(f) Has NIM had any unintended consequences (positive or negative)?

The main positive unintended consequence has been the use of the BasicsCard by some people as a cheap banking service. This is especially true in remote communities where normal banking services can frequently be very expensive.

The main negative unintended consequence is that some people appear to have become passive in the management of their finances and dependent on income management.

Another unintended negative consequence is that the reduction in cash in communities has reduced financial harassment for many, but has in some cases increased harassment for others. There were reports that for some people this has acted as a disincentive to seek employment for fear of being harassed for cash.

(g) Are there differential effects for different groups?

The question of differential impacts is addressed in several of the other evaluation questions.

(h) Does income management provide value for money by comparison with other interventions?

The one dimension of the evaluation which has not been considered at this stage is the economic evaluation of the program. FaHCSIA have sought to have this undertaken in the later stages of the evaluation when they consider there will be a better appreciation of the full costs of program implementation as well as the breakdown of costs between establishment and operation.

(i) Does NIM provide any benefits over and above targeted service provision?

This question concerns whether or not the broad application of income management provides benefit over and above a more targeted model. At this stage the evaluation finding is that Compulsory Income Management is applied to a substantial number of people who appear neither to require, nor to gain any benefit from, the program. This is not without cost, both to the individual and to government. In many cases those subject to income management have a sense of unfairness at being subject to income management and find it embarrassing, humiliating and in some cases de-motivating.

The data collected from Centrelink staff and those subject to income management reveals that there was a common view that the compulsory application of income management was not necessary and in many cases poorly targeted.

13.2.2 Research questions for specific streams of the NIM model

Questions specific to the participation/parenting stream (Compulsory Income Management)

1. Has NIM helped to facilitate better management of finances in the short, medium and long-term for people on income management and their families?

As outlined above, Compulsory Income Management appears to assist some people to manage their finances – particularly those who are in acute or chronic financial difficulties or those who are subject to financial harassment. However, this does not in itself motivate or assist people to develop the skills to manage their finances in the longer term. The Matched Savings Payment component has had a very low uptake as has participation in the approved money management courses.

A specific issue which emerged in our analysis was that many of those subject to income management reported that, while they did not necessarily have a greater level of control over their money, they had a greater sense of ease about managing their money. This, along with responses to the qualitative interviews with intermediaries, appears to indicate that a potential consequence of income management for some people may be that of encouraging passivity and a sense of ease, rather than building a sense of control. This will be further explored in subsequent evaluation reports.

2. Has access to services or interventions improved for those families?

The evaluation has not been able to quantify changes in access to services, nor to assess the quality of service provision in the Northern Territory and how this has changed over time. However, there are many new service initiatives instigated in the Northern Territory since the announcement of the NTER and services continue to be implemented. While Centrelink staff were generally positive about being able to refer people subject to income management to a range of different services, some stakeholders reported that considerable service gaps continue to exist. In particular there continues to be a lack of coordination in service delivery responses for people experiencing multiple and complex forms of disadvantage that would assist them in addressing the issues that had led them to be subject to income management. Further data will be collected and this question will be more comprehensively addressed in subsequent evaluation reports.

3. Have other changes in the wellbeing and capabilities of the individuals and families occurred?

As discussed above, the small numbers on Child Protection Income Management and Vulnerable Income Management mean that the impact of income management for people on these forms of compulsory income management cannot be examined separately from the impact of income management on those on the participation/parenting stream (Compulsory Income Management).

The impact of income management on the wellbeing and capabilities of the individuals and their families has been discussed in the overarching outcome evaluation questions.

Questions specific to the child protection stream (Child Protection Income Management)

1. What has been the impact of income management on child neglect?
2. What has been the impact on child wellbeing in those families referred to the child protection measure (Child Protection Income Management)?

As reported above, there are too few people subject to this measure to assess outcomes in relation to parental behaviour or child wellbeing.

3. What are the barriers and facilitating factors for child protection workers to use income management as a casework tool?

Some child protection workers interviewed for the evaluation see income management as a valid intervention tool to be used when families are unable or unwilling to provide adequate resources to their children. However, they identified several barriers to the implementation of Child Protection Income Management:

- Most clients in the child protection system are already income managed and the extra burden of placing them on Child Protection Income Management to raise the proportion of managed funds from 50 to 70 per cent was not seen as cost effective for practitioners.
- Child Protection Income Management requires keeping cases open which would otherwise be low priority and closed.
- Some caseworkers do not see financial management as appropriate for their clients and this function is seen as the remit of Centrelink rather than child protection workers.
- Financial management is not always an important feature of families where children are neglected. Other issues such as substance misuse and domestic violence are often more pressing.
- Most of the child protection workers interviewed expressed a preference for people to choose Voluntary Income Management in cases where financial management issues are impacting on their ability to care for children.

4. What (if any) service delivery gaps have impacted on the usefulness of the Child Protection Income Management?

As noted above, service delivery gaps were not identified as a barrier to the use of Child Protection Income Management and the small number on this measure means that it has not been possible to evaluate the extent to which there are service delivery gaps for this group.

Questions specific to the vulnerable stream (Vulnerable Income Management)

1. Are vulnerable people appropriately targeted by this measure?

Vulnerable Income Management is used in a very small number of cases. It is possibly 'crowded out' by Compulsory Income Management and Voluntary Income Management. That is, those vulnerable people who are on Newstart Allowance and parenting payments are in most cases already income managed because of the duration of time they have been on income support. For those on other payments the evidence we collected suggests that, to a large degree, Centrelink staff prefer their clients to choose a less restrictive option, and hence may suggest to people that they go onto Voluntary Income Management rather than placing them on Vulnerable Income Management. The preference for this strategy is further enhanced by the fact that Voluntary Income Management includes an incentive payment which is not paid under Vulnerable Income Management. However, evidence showed that access to this measure is valued by Centrelink staff – especially as an option for vulnerable clients without seeking legal guardianship or similar measures. Most of those on Vulnerable Income Management were on a Disability Support Pension (77 per cent).

Ninety-six per cent of those on Vulnerable Income Management are Indigenous and it is not clear why so few non-Indigenous Centrelink clients are deemed to be suitable for this measure despite the fact that there are likely to be many non-Indigenous income support recipients who are equally vulnerable.

2. How does income management impact on the vulnerability of individuals?

3. Have people on this stream experienced changes in the level of harassment (e.g. humbugging)?

Vulnerable Income Management appears to be an appropriate measure for a small number of vulnerable people in specific circumstances who do not consent to Voluntary Income Management, either because they are harassed by family members or they have great difficulty in managing their affairs. However, we have little information about the characteristics of those on the program or its effects. From discussions it would appear that the nature of the underlying cause of much of the vulnerability means many are likely to remain on income management for a long period of time. For these the program effectively will operate as a long term management tool, not as an intervention that will build their capacity and change their behaviour.

Questions specific to the voluntary stream (Voluntary Income Management)

1. Have people who volunteered for income management been able to make an informed choice?

There is some evidence that Centrelink 'pushed' individuals from NTER IM into Voluntary Income Management. While there was considerable lack of clarity in the responses to the first wave of the longitudinal survey as to whether people felt that they had chosen to go on this program, around 72 per cent of Indigenous people on Voluntary Income Management report that they wished to

stay on income management. Nevertheless there is some evidence to suggest that numbers on the program are declining slowly, and qualitative interviews confirmed that there is confusion for some about their status and their right to opt out of income management.

2. How long do voluntary income management recipients stay on the measure?

The early indications are that the durations of people on Voluntary Income Management are likely to be substantial. A longer time period will be needed to fully answer this question.

3. What are the key motivations for people who voluntarily access income management, and why do they stop?

Voluntary Income Management appears to be valued by those who choose it. The main motivations reported to us were to reduce financial harassment and to ensure that their money is safeguarded.

Many people appear to value the incentive payment, income management itself and the free banking offered by BasicsCard, but it is not clear which of these factors is the major drawcard for remaining on Voluntary Income Management.

Centrelink staff tended to be positive about Voluntary Income Management and favour this over compulsory measures.

Like Compulsory Income Management, Voluntary Income Management's main advantages appear to be that people can have a proportion of their funds securely allocated to items such as food and rent, and that financial harassment can be reduced.

13.2.3 BasicsCard and the mechanics of income management

The Evaluation Framework did not contain a question specifically about the BasicsCard. However, the BasicsCard has emerged as a very important issue.

There are mixed views about the BasicsCard. On the whole many people subject to income management were positive and Centrelink staff were, on the whole, quite positive about its introduction. Many people subject to income management were also positive, with evidence that for some it serves as an incentive for people to remain income managed even if they qualify for an exemption. The positives include fee free banking and, for some, reductions in financial harassment and abuse.

However, many other people expressed very negative views about the BasicsCard, including embarrassment and practical problems using the card principally that:

- balance checking can still be difficult, and at times costly, especially for those in remote areas
- it is still not accepted in enough outlets
- the helpline is difficult to access with long waiting times which, if calling from a mobile phone, can be expensive

- there are occasions when the BasicsCard system 'goes down' resulting in people being unable to pay at cash registers
- while not directly related to the BasicsCard, the mechanics of obtaining approval from Centrelink to spend money on goods such as TVs and fridges can be cumbersome.

The BasicsCard has become a symbol for income management as a whole and for the NTER since it is the most visible public sign that people are being income managed; therefore some of the feelings expressed about the BasicsCard are indicative of more general perceptions of income management itself.

13.3 Conclusion

The evidence gathered to date for this evaluation suggests that NIM has had a diverse set of impacts. For some it has been positive, for others negative and for others it has had little effect. Taken as a whole there is not strong evidence that, at this stage, the program has had a major impact on improving outcomes overall, but many individuals report some gains, while others report more negative effects.

For some, the evidence is that the program can make a substantial contribution to improving the wellbeing for a group of people on income support who are in a financial crisis and need their expenditure stabilised; are chronically unable to manage their finances; or are subject to serious financial harassment.

The evaluation evidence is that there are a large number of people subject to Compulsory Income Management who appear to be competent in managing their finances, are not subject to financial harassment, and live in families where alcohol, drugs and gambling are not seen as major problems. Thus there appears to be a large number of people subject to Compulsory Income Management who are unlikely to benefit from this measure, and for whom the restrictions of income management can create frustrations and challenges. This raises questions about the application of income management to people who do not need it.

Many of those who do not report any of these problems in their family still have one or more financial problems. There are very mixed findings as to the extent to which being subject to income management has led to greater control over money.

Income management incurs costs to the individuals, who in many cases find it embarrassing and humiliating and in some cases de-motivating. Examples of direct financial costs resulting from income management include the costs of seeking to make applications for exemption, the fact that some cheap shopping outlets are not approved merchants, and the cost of accessing approved stores. There are also the costs to the government of running income management.

There are substantial differences in the rates of exemption between Indigenous and non-Indigenous people and between those with and without children. The rate of exemptions being granted is very low in NTER prescribed areas where many people have been on a form of income management (NTER IM) since 2008. A further issue is the lack of a direct relationship between how

responsibly money is spent or managed and the specific primary criteria for exemptions (which do not relate to this).

The large-scale survey of those subject to income management (LSNIM Wave 1) reveals that for a range of outcomes the majority of participants reported little change. A significant minority reported improvements as a result of income management, in most domains more than those who reported deterioration, and in some cases this difference was significant. In many cases the contrast population of income support recipients outside the Northern Territory had similar perceptions of improvement.

It is anticipated that the question of the robustness of these perceptions will be able to be better tested once data from the second wave of the participant survey is available and, importantly, population level outcome data from 2011 and 2012 is released.

In a number of cases it appeared that more positive outcomes, or perceptions of change, were identified for NTER communities than in non-NTER communities. This, however, was not consistent across all questions or subgroups. Our analysis suggests where this is the case it is more likely to reflect the impact of other interventions under the NTER rather than specifically attributable to income management in the longer-term.

It is difficult in the evaluation to fully differentiate views about the BasicsCard from income management itself. There is, however, some evidence that the card, while being seen negatively by some, is viewed positively by others. This latter seems driven by the safety the card provides and the absence of costs (other than phone calls to check balances) on its use.

At this point our view is that the evidence most clearly highlights a diversity of outcomes from NIM which are positive for some and negative for others. This suggests two central questions: whether, to the extent that there are gains under the existing arrangements, the value of these outweigh the costs; and whether or not alternative arrangements would permit the gains to be achieved without the negative outcomes.

Our view is that these findings point towards the conclusion that income management can be an effective measure to deal with particular issues faced by a proportion of those subject to income management, and that for a small number of vulnerable people there may be longer term benefits in having their income managed on a voluntary or compulsory basis. Similarly, the BasicsCard appears to provide a number of benefits to some people which go beyond its value in income management. However, at this stage there is little indication that income management is itself effective in changing parenting behaviour, reducing addiction or improving capacity to manage finances.

The low numbers of people who have engaged with the incentives (matched savings and exemptions) and with the supportive services which are intended to complement income management, may have impacted on the extent of changes. Underlying the program logic it is the combination of all three components which was expected to lead to long-term behaviour changes and improvements in wellbeing.

The next stage of this evaluation will clearly identify the medium and longer term impacts of income management and whether access to exemptions and services improves over the course of the next period.



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APPENDICES

Appendix A:	Letters sent to Centrelink customers about income management
Appendix B:	LSNIM Wave 1: Summary Report
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Appendix A. LETTERS SENT TO CENTRELINK CUSTOMERS ABOUT INCOME MANAGEMENT

Letter in December 2010 sent by Centrelink to customers on NTER and not eligible for NIM

You are no longer eligible to be income managed

The Northern Territory Emergency Response initiative, under which you have been income managed, is ending in your area. You are no longer eligible to be Income Managed under a compulsory measure.

This means Centrelink will no longer be paying for rent, food and other things you have told us about from your payments. Instead, all of your payments will be paid to you.

You will need to contact Centrelink to have your Income Management period stopped. If you have not contacted us by 30th June 2011, we will automatically stop paying your expenses, and any money left in your Income Management account will be paid to you.

What this means for you

Centrelink would like to discuss with you what will happen when income management ends. We can also talk to you about the options that are available to you to assist you to pay for some of your regular expenses.

*** Option: If <amount.1> does not exist then print:*

Please contact Centrelink to discuss how any money left in your Income Management Account will be paid to you.

Option end

*** Option: If <amount.1> exists then print:*

Your current Income Management Account balance is **\${amount.1}**.

Please note: Your balance may change because of any regular expenses that still need to be paid.

Option end

*** Option: If <amount.2> exists then print:*

The money in your account will be paid to you in fortnightly instalments of **\${amount.2}**.

Option end

*** Option: If <amount.2> does not exist and If <date.2> exists then print:*

The money left in your account will be paid to you on {date.2}.

Option end

Option end

This letter is a notice of decision. It is also, including the back of this letter, an information notice given under social security law.

Voluntary Income Management

If you wish to continue with income management under the Voluntary Income Management initiative, you may contact Centrelink to commence a new agreement. As part of this initiative, a \$250 incentive payment may be paid for every consecutive 26 week period that you are voluntarily income managed.

Information you should know

There is important information on the back of this letter about your rights, privacy and how to comment on our service. This information sometimes changes so it is important to read it.

If you have any questions or would like more information, please call ***on ****.

Yours sincerely

GPO Box 1507 HOBART TAS 7001



5 Railway Tce ALICE SPRINGS 0870
Fax: (08) 62225515

Please quote:

Telephone: 13 2594*

*Call charges apply for '13' numbers and may apply for '1800' numbers.

Office Hours: Monday to Friday 8.30am to 5.00pm



off
229.



Australian Government



4 February 2011

Dear

Income Management for you is ending on 30 June 2011

Currently, your Centrelink payments are being income managed and we have been paying some expenses on your behalf. Income Management, for you, will cease on 30 June 2011.

This means, we will no longer pay expenses such as rent or food from your Income Management Account and that all of your Centrelink payments will be paid to you in the usual way.

What should you do?

We would like to talk to you about what will happen when Income Management ends and the options available to pay any of your expenses.

Please contact Centrelink by calling the Income Management Line on 13 2594 or visit a Centrelink office before 30 June 2011.

Yours sincerely

Manager
Centrelink

Senate Community Affairs Legislation Committee
Additional estimates 2010-2011
Human Services

Tabled document no: 3

By: MS ROXANNE RAMSAY

Date: 24 February 2011

Lb 3 Regents Park Dc NSW 2143



CLIC2LETTERA310065204001

Customer Reference Number:



Australian Government

Test
1 Nigel St
ALICE SPRINGS NT 0870



27 April 2012

Dear

Your payments are due to be Income managed under a compulsory measure

Your payment will now be subject to Income Management. We have assessed your current situation and have decided that you are a Long Term Welfare Payment Recipient Customer.

This decision is based on the length of time you have been in receipt of a payment.

What does this mean for you

Your payments will now be income managed. This means that 50 per cent of your fortnightly payments, and 100 per cent of any lump sum payments, advances or payments like the Baby Bonus, will be income managed. Income Management means that part of your payments will be managed by us to help you pay expenses like rent, food and other payments you and your family need. The rest will be paid to you.

What you need to do

You need to contact us **within 28 days** to discuss what expenses your income managed money will be used for. If you do not call us by 26 May 2012 your fortnightly payments will be automatically income managed.

We will talk to you about your circumstances and how Income Management works. If your payments become subject to Income Management, you will need to provide documents that show the detail of your regular bills. For example, any documents that show what your ongoing expenses are for items such as:

- Rent
- Mortgage
- Power
- Telephone
- Food
- Hire purchase agreements
- School expenses such as School Meals Program

Are you eligible for an exemption

If you want to apply for an exemption from Income Management, you may be eligible if you meet one of these categories:

- Full Time Student
- Student Apprentice
- In regular paid employment
- Participating in an Approved Centrelink Activity
- Have dependent children who are attending school

A BasicsCard will also be offered to you once you commence Income Management. The BasicsCard is a reusable, PIN protected card that lets you spend your income managed money at approved stores and businesses using the EFTPOS system.

This letter is a notice of decision. It is also, including the back of this letter, an information notice given under social security law.

If you have any questions or would like more information, please call the Income Management line on 13 2594*.

If you need an interpreter

If you need an interpreter, let us know in advance and we can arrange for one to be available.

Bringing someone else with you

If you wish, you can have another person with you such as a friend, relative, your nominee, adviser or someone else who might assist you.

What happens if you do not contact us

Your Centrelink or Department of Veterans' Affairs payments may be stopped.

Information you should know

There is information on the back of this letter about your rights and how to comment on our service. If you have any questions or would like more information, please call the Income Management line on 13 2594*.

Yours sincerely

Manager
SALISBURY

Customer Reference Number:

Inm Test
1 Skg788 St
ALICE SPRINGS NT 0872

19 October 2011



Dear

You have been assessed as a Vulnerable Welfare Payment Recipient.

On 19 October 2011 an assessment of your circumstances was undertaken by Test lid, a Centrelink Social Worker. Concerns were raised about your well-being placed at risk due to on-going financial hardship.

Although different money management options were discussed with you, a decision has been made to assess you as a Vulnerable Welfare Payment Recipient.

This means you may receive a letter from Centrelink, requesting you contact regarding Income Management.

If you think your situation has changed and you would like your Vulnerable assessment reconsidered, you are able to contact Test lid to have a reassessment of your circumstances. If a decision is made to continue your Vulnerable status, you will need to wait 90 days before you can request another reconsideration.

If you have any questions you can contact Test lid on

Information you should know

There is information on the back of this letter about your rights and how to comment on our service.

This letter is a notice of decision. It is also including the back of this letter, an information notice given under social security law. If you have any questions or would like more information, please call the Income Management line on 13 2594*.

Yours sincerely

Manager
BUNDABERG Centrelink

Customer Reference Number:



Test
562 Lot Rd
GUNN POINT NT 0822

30 April 2012



Australian Government



Dear

Your payments are due to be income managed under a compulsory measure

Your payment will now be subject to Income Management. We have assessed your current situation and have decided that you are a Vulnerable Welfare Payment Recipient Customer.

This decision is based on a recent assessment of your circumstances by a Social Worker.

What does this mean for you

Your payments will now be income managed. This means that 50 per cent of your fortnightly payments, and 100 per cent of any lump sum payments, advances or payments like the Baby Bonus, will be income managed. Income Management means that part of your payments will be managed by us to help you pay expenses like rent, food and other payments you and your family need. The rest will be paid to you.

What you need to do

You need to contact us within 56 days to discuss what expenses your income managed money will be used for. If you do not call us by 25 June 2012 your fortnightly payments will be automatically income managed.

We will talk to you about your circumstances and how Income Management works. If your payments become subject to Income Management, you will need to provide documents that show the detail of your regular bills. For example, any documents that show what your ongoing expenses are for items such as:

- Rent
- Mortgage
- Power
- Telephone
- Food
- Hire purchase agreements
- School expenses such as School Meals Program

This letter is a notice of decision. It is also, including the back of this letter, an information notice given under social security law.

If you have any questions or would like more information, please call the Income Management line on 13 2584*.

If you need an interpreter

If you need an interpreter, let us know in advance and we can arrange for one to be available.

Bringing someone else with you

If you wish, you can have another person with you such as a friend, relative, your nominee, adviser or someone else who might assist you.

What happens if you do not contact us

Your Centrelink or Department of Veterans' Affairs payments may be stopped.

Information you should know

There is information on the back of this letter about your rights and how to comment on our service. If you have any questions or would like more information, please call the Income Management line on 13 2584*.

Yours sincerely

Manager
INCOME MANAGEMENT

Customer Reference Number:



27 April 2012

Do Not Post

Your payments are due to be income managed under a compulsory measure

Your payment will now be subject to Income Management. We have assessed your current situation and have decided that you are a Long Term Welfare Payment Recipient Customer.

This decision is based on the length of time you have been in receipt of a payment.

What does this mean for you

Your payments will now be income managed. This means that 50 per cent of your fortnightly payments, and 100 per cent of any lump sum payments, advances or payments like the Baby Bonus, will be income managed. Income Management means that part of your payments will be managed by us to help you pay expenses like rent, food and other payments you and your family need. The rest will be paid to you.

What you need to do

You need to contact us within 28 days to discuss what expenses your income managed money will be used for. If you do not call us by 25 May 2012 your fortnightly payments will be automatically income managed.

We will talk to you about your circumstances and how Income Management works. If your payments become subject to Income Management, you will need to provide documents that show the detail of your regular bills. For example, any documents that show what your ongoing expenses are for items such as:

- Rent
- Mortgage
- Power
- Telephone
- Food
- Hire purchase agreements
- School expenses such as School Meals Program

Test Run

Are you eligible for an exemption

If you want to apply for an exemption from Income Management, you may be eligible if you meet one of these categories:

- Full Time Student
- Student Apprentice
- In regular paid employment
- Participating in an Approved Centrelink Activity
- Have dependent children who are attending school

A BasicsCard will also be offered to you once you commence Income Management. The BasicsCard is a reusable, PIN protected card that lets you spend your income managed money at approved stores and businesses using the EFTPOS system.

This letter is a notice of decision. It is also, including the back of this letter, an information notice given under social security law.

If you have any questions or would like more information, please call the Income Management line on 13 2384*.

If you need an interpreter

If you need an interpreter, let us know in advance and we can arrange for one to be available.

Bringing someone else with you

If you wish, you can have another person with you such as a friend, relative, your nominee, adviser or someone else who might assist you.

What happens if you do not contact us

Your Centrelink or Department of Veterans' Affairs payments may be stopped.

Information you should know

There is information on the back of this letter about your rights and how to comment on our service. If you have any questions or would like more information, please call the Income Management line on 13 2384*.

Yours sincerely

Manager
SALISBURY

Appendix B. LSNIM WAVE 1: SUMMARY REPORT

Longitudinal Study of New Income Management

Methodology Report

Note: This is an edited version of the report supplied to the project team by Colmar Brunton. Changes have been made to the text to remove a range of administrative issues and to eliminate references to some of the locations in which the survey was conducted and the names of individual researchers.

1. Summary

This method report details the project scope, deliverables and timings as well as the methodology and the operational results from the Longitudinal Study of New Income Management Wave 1. It also serves to provide recommendations for future waves of the survey.

Community Engagement

Consent was gained from remote communities and town camps prior to interviewing commencing. A workshop to develop the questionnaire was undertaken in Darwin and Alice Springs with researchers. A newsletter about the progress of the survey will be feedback to communities later in 2012.

Pilot

There were 19 pilot interviews conducted in Cairns, Alice Springs, Logan and Darwin.

Sampling

The sample frame for the project was the Centrelink Administration Database. There were 6226 participants selected to participate in the study. Of these 105 were not locatable and 125 were not in the selected sample locations. There were 5996 participant records issued to interviewers.

Fieldwork Administration

The survey was conducted using Computer Assisted Personal Interview (CAPI) on Apple I pads or where internet connectivity was poor or slow hardcopy surveys were used. There were 1123 interviews completed against a target of 1300. The biggest challenges for completing our target were:

- Timing of the study –
 - Generally this Christmas and Summer Holiday period is not advisable for any social research studies with any populations in any geographic areas.
 - The Northern Territory has dramatic seasonal weather during the fieldwork period that impacted on the mobility of the interviewers and the disposition of the participants.
 - Ceremonial Business for Indigenous communities particularly in the central dessert area of NT and WA occurs during this time.
 - School holidays impacted on the availability of participants.
- There were some problems in undertaking the research in some locations because of Sorry Business, funerals and other location specific factors.
- General apathy particularly, Non-Indigenous participants in the Northern Territory.
- No fixed address or any contact details in the sample which meant we had no way of locating or identifying respondents.

The overall response rate was 29.5%.

2. Community Engagement

2.1. Community Consent

Consent to undertake the research was obtained in each of the Indigenous remote communities and urban town camps. Consent to undertake research in the urban areas of Alice Springs, Darwin and Cairns was not required. How consent was obtained varied for each community.

2.2. Questionnaire Workshop

Feedback from the interviewers and supervisors was gained throughout the pilot briefing, debrief and general interviewing period. In all cases, approval from the University of NSW and FaHCSIA was sought and provided before any changes were made to the script. The following table summarises the pilot feedback and resulting actions/changes.

2.3. Community Feedback

A draft newsletter will be developed and will be approved by FaHCSIA prior to circulation in the communities who participated in the research.

3. Pilot

The following is a summary of feedback from the pilot conducted in Cairns, Alice Springs, Logan and Darwin with Researchers who were also interviewers in the main survey.

Participants were recruited through snowballing, networking and intercepting people in these locations by the Researchers. We understand there is a small chance that they may be selected for the main study and this was explained to those who did participate. We achieved 19 surveys from a target of 30 completed interviews. We had a number of “no shows” or appointments cancelled which if we had more time we would have completed. There was sufficient spread across the various questionnaire sequences and sample types to ensure that all questions were tested. The interview length was 45 minutes for Non-Indigenous clients and 55 minutes for Indigenous clients in the Northern Territory. The interview length was 20 minutes for Non-Indigenous clients and 35 minutes for Indigenous clients in comparison sites.

4. Sampling

The sample frame for the project was the Centrelink Administration Database.

4.1. Selection Criteria in Northern Territory

The sampling criteria in the Northern Territory included the following specification:

- On IM at the time of extraction
- Geographic location
- Contact details [full: include title, name (first, last), postal address, home address, phone number and mobile phone number if available]

- Age – 18+ years old

4.1.1. Extra data required about each potential participant

- Indigenous status – y/n indicator
- DCALB indicator –y/n indicator
- Sex
- Age
- current IM measure
- Whether customer has ever had a BasicsCard
- Whether they were subject to IM under NTER – IM'd or assessed for IM
- Date commenced IM – for current measure, NIM and NTER
- Whether applied for exemption – Y/N indicator
- Interpreter language
- Nominee type
- Nominee name
- Nominee postal address

4.2. Selection Criteria in Contrast sites

The sampling criteria in contrast sites included the following specification:

- Over 18 and under 25 and have been receiving Youth Allowance, Newstart Allowance, Special Benefit, Parenting Payment Partnered or Parenting Payment Single for 13 of the last 26 weeks; or
- 25 years and over (and younger than pension age) who have been receiving Youth Allowance, Newstart Allowance, Special Benefit or Parenting Payment Partnered, Parenting Payment Single for 12 of the last 24 months.
- On age and Disability Support Pensions
- Live in designated areas

4.2.1. Other information required

- Indigenous status – y/n indicator
- DCALB status – y/n indicator
- Sex
- Age
- Interpreter – language
- Nominee type
- Nominee name
- Nominee postal address
- Contact details –full (As for client, above)

4.3. Sample Summary

The following table is a summary of the 6226 participant records supplied by Centrelink for Wave 1.

Table 5: Sample Summary

Location	Sample issued to interviewers	Returned to Sender	Not in Selected Area
Darwin	1841	52	35
Other NT	2983	46	0
Cairns	910	7	0
Contrast site A	0	0	90
Contrast site B	262	0	0
Total	5996	105	125

5. Fieldwork Administration

5.1. Recruitment of Interviewers

Interviewers were recruited from our pool of casual staff and subcontractors. Others were recruited through Colmar Brunton networks utilizing existing research organisations ARPNet at Charles Darwin University and the Tangentyere Research Hub. The following table is a breakdown of the number of interviewers working in each location. There were 45 interviewers, which is not the sum of the columns in the table below as some interviewers worked in multiple locations. Just over 50% of the interviewers in the Northern Territory were on Centrelink Income Management, and approximately two thirds had experienced being on Income Management at some time.

5.2. Training of interviewers

Interviewers were trained by Kylie Brosnan in Cairns on 3rd December 2011, Alice Springs on 5th and 6th December 2011 and Darwin on 7th and 8th December 2011. Subsequent training was undertaken in January by a Team Leaders from Tangentyere Research Hub and from Charles Darwin University ARPNet. An interviewer manual and questionnaire administration notes were provided to all interviewers.

Each team had mid field debriefing sessions with their respective team leaders to discuss strategies for increasing participation and brainstorm any barriers they were finding with fieldwork.

5.3. Gaining participation

The biggest advantage to gaining participation in the Indigenous Communities was using Indigenous researchers who were known or known through association to the participants. The study would not have been able to be conducted without the expertise of the Tangentyere Research Hub, ARPNet and Colmar Brunton Indigenous researchers and subcontractors.

Non-Indigenous participants were harder to engage in the Northern Territory. They were disinterested in participating; some were disgruntled about being on Income Management however this did not seem to be the reason for not participating. Some participants had other sources of income and were not interested in the policy or the impact on themselves, in that they were quite apathetic about it.

Participants in the contrast sites were easier to engage. The interview length was shorter and more reasonable. In Cairns few were aware of or knew anything about Income Management but some could relate to Centrepay. In [location] and [location] there had been recent talks about Income Management so the community were well aware of the policy, and most had family in NT who were subjects of Income Management. People's participation here was generally to have their say, and to give their opinions about the policy as they are aware there is potential for this to ***"come over the border"***.

The vouchers were well received in some remote communities, however researchers had some concerns that this would set precedence for other research they undertake and people may expect it for other study which do not use incentives. X researchers in particular did not like offering the voucher and felt embarrassed because it felt like bribing participants to do the survey. They felt they could have gotten high participation without the use of the incentive. Non-Indigenous participants commented that the amount of the incentive (\$30) was not enough for them to consider participating for a 45 minute survey. In contrast sites the vouchers were well received and considered to assist in gaining participation.

5.4. Reasons for non-participation

Of the 5996 sample records issued to field, there were 1617 clients were attempted but unable to secure an interview, 479 who refused to participate, 927 were out of scope, 1123 clients who were interviewed and 1850 were not attempted as the quota in that location had been completed.

5.4.1. Unable to Secure an Interview

There were 1617 participants that we were unable to contact or our contact attempts did not result in an interview. There were a lot of participants with no-one home during this whole fieldwork period. There were also a pattern of participants not at home for their scheduled appointment, after initial contact and agreement to participate had been gained. There was a small group of New Australians who seemed to be working a number of day and evening jobs that meant they were never home during interviewing times. Interviewers were extremely creative in attempting to locate participants away from home, or finding convenient places to interview participants. Interviews were conducted on buses, in taxis, in the parks and other places people hung out, McDonalds, libraries, and outside various service providers.

The interviewers worked hard to try and reach these participants. There were at least three call attempts made to all participants. Some participants were contacted over 12 times where contact had been made the participant indicated that they were interested in being interviewed.

Table 6: Call Attempts to Secure and Interview

Call Attempts	Number of Participants	%
3	584	36%
4	102	6%
5	93	6%
6	195	12%
7	56	3%
8	147	9%
9	128	8%
10	18	1%
11	12	1%
12	110	7%
12+	172	11%
Total	1617	

5.4.2. Refusal to participate

There were 479 clients who refused to participate in the survey. The majority of refusals were a lack of interest or simply not wanting to do the survey (69%). There were some clients making both positive and negative statements about IM within this refusal therefore we conclude that there was not a bias on participation based on sentiment for Income Management.

*I don't want to do survey but I don't mind it and it's working fine for me
I am happy with the basic card, able to pay rent, buy proper food and good for my unit
I like the basic card, it helps me and a lot of other people*

*I f***** hate it why should I give you my opinion when you never listen anyway
No I hate it and I am getting off it soon
I don't see it changing, do not want to take part. I don't think it's good for me*

The fieldwork period was at a time when people are busy in preparation for Christmas and Holidays. It was also extremely hot in central Australia, and wet in the northern locations. Clients stated that they were too busy (16%) to participate. This was due to looking after children, sick children, working or general preparations for holidays, Christmas or travelling.

There were a small number of clients who stated they were no longer on Income Management and did not wish to participate. Interviewers did stress that their responses were very important to the study however they gave this as their reason for refusing to participate.

*I don't get income managed anymore so I don't want to do interview
I am no longer on the basic card, I liked being on it due to always having money there, but no don't want to do the survey.*

The particularly vulnerable clients that are on Income Management meant that we saw a lot of people with disabilities, some of whom could not do the survey or who were very uncomfortable with the interview process. Those that were unable to participate were not coded as refusals, but were coded out of scope which is discussed in the next section. Those with medical conditions that were not incapacitating were coded as a refusal due to illness, feeling mentally unwell or depressed, being in the final stages of pregnancy or having just had a baby.

Table 7: Reason For Refusal

Reason for refusal	Number of Refusals	%
Not interested / Don't want to	330	69%
Too busy / Doesn't have time	77	16%
Not IM / doesn't want to do it	30	6%
Sick, Unwell, Unable to complete, having baby/just had baby	17	4%
Refused to FaHCSIA PAL	19	4%
Other	6	1%
TOTAL	479	100%

5.4.3. Out Of Scope

There were 927 participants that we attempted to contact that were determined to be out of scope of the study. The sample information was inaccurate (44%) were incorrect addresses, vacant blocks, no fixed address or had no contact details. There were a lot of occasions where the residents had lived in the stated address for several years and not known the selected client. There were also a lot of vacant blocks particularly south of Darwin stated as the client address. There were 206 participants who had no fixed address, no contact details which could be used to locate the participant. There were 168 participants (18%) who had moved away from the selected survey locations. There were 134 participants (14%) who we were able to deduce from other residents or neighbours that were away during fieldwork period. There were some participants who were selected in the sample based on Centrelink boundaries however their residence were over 50km from the selected area, often on unsealed roads and therefore deemed too far and unsafe for interviewers to travel. There were 78 participants contacted that were unable to undertake the survey, most were residence of a care facility. Of the 78 unable to participate, 47 were on Voluntary IM, 21 on long term welfare, 6 were disengaged youth and the remainder were not in the Northern Territory. There were 16 participants in prison or locked up awaiting trial, 13 were deceased.

Table 8: Reason For Out of Scope

Reason for out of scope	Number of Out of Scope	%
Not Known at that address/number	410	44%
Moved away from in scope areas	168	18%
Unavailable survey period (Holidays / outstation / temporarily moved away from in scope areas / sorry business / ceremonial business)	134	14%
Not in scope area / too far away	101	11%
Unable - Deaf/Senile/Disabled/Dialysis or hospitalised/ in rehab	78	8%
In Prison / Locked up	16	2%
Deceased	13	1%
Other	7	1%

5.5. Administration of the surveys

The surveys were administered using Computer Assisted Personal Interviewing (CAPI) on Apple Ipad. The survey was scripted into an online HTML version. There were a number of survey content changes in the days leading up to the training and the last changes were received the day before the training. The HTML version requires at least 3-5 days to be converted into an Ipad application that

can be used offline. As most locations in the survey had mobile internet connectivity it was decided to train the interviewer on the HTML version only and not risk confusing them with two different software trainings. Having two electronic survey software and the nuisances of merging the different formats was another argument to keep consistent with just one version of the CAPI in field. Where online connectivity was poor or not available hardcopy surveys were used. These surveys were later data entered into the HTML version of the survey script.

Qualitative statements and comments made during the qualitative surveys were recorded on a survey notes page and later data entered into MS Excel for processing.

6. Response Rates

There were 1123 clients who participated in the survey. There are a number of different ways to calculate response rates and analyse response to a survey.

Conversion Rate is the number of participants that were contacted and agreed to complete the survey to assess the engagement skills of the interviewers.

Conversion Rate = 1123 interviews / (1123 interviews + 479 refusals) = 70%

Co-operation Rate is another way to look at sample yield, call attempt procedures and the ability to contact of the sample and secure an interview.

Co-operation Rate = 1123 interviews / (1123 interviews + 479 refusals + 1617 unable to interview) = 35%

We commonly use the American Association for Public Opinion Research (AAPOR) definitions of response rates^[1] which is based on previous work by Council of American Survey Research Organizations (CASRO)^[2]. Generally speaking most social researchers use the logic that the completed number of interviews with the study units is divided by the eligible reporting units in the sample to determine the response rate.

Broadly speaking any of the following formulas from AAPOR (2009) could be applied where we allocates cases of unknown eligibility are estimated at the same rate of known eligibility in the sample.

Response Rate Calculation

$\frac{(1123 \text{ interviews})}{(1123 \text{ interviews} + 479 \text{ refusals}) + (63\% \times (1617 \text{ unable to interview} + 1850 \text{ not attempted}))}$ <p>where</p> $63\% \text{ estimated in scope} = (1123 \text{ interviews} + 479 \text{ refusals}) / (1123 \text{ interviews} + 479 \text{ refusals} + 927 \text{ out of scope})$	29.5%
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^[1] The American Association for Public Opinion Research. 2009. *Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys*. 6th edition. AAPOR.

^[2] Council of American Survey Research Organizations (CASRO) 1982 Special Report *on the Definition of Response Rates*.

6.1. Profile of response

The study aimed to include 70% Indigenous and 30% non-Indigenous participants. The final sample composition reflected this distribution. The sample supplied however was skewed towards Indigenous (80%). There were more non-Indigenous refusing to participate (54%) than Indigenous participants (54%). The conversion rate therefore was much lower for Non Indigenous (55%) than Indigenous (78%). The overall response rate for Indigenous was lower due to the higher proportion of participants unable to secure an interview or un-contactable and a high proportion of sample in remote communities that was not attempted due to the quota being achieved.

Table 9: Distribution of Indigenous and Non-Indigenous Sample

Final Outcome	ATSI	NON-ATSI	Refused	Grand Total
Interviews	802	318	3	1123
<i>% of Interviews</i>	71%	28%	0%	
Unable to Secure Interview	1211	406		1617
<i>% of Unable to Secure Interview</i>	75%	25%	0%	
Refused	221	258		479
<i>% Refused</i>	46%	54%	0%	
Out of Scope	750	177		927
<i>% Out of Scope</i>	81%	19%	0%	
Not Attempted	1785	65		1850
<i>% Not Attempted</i>	96%	4%	0%	
Total	4769	1224	3	5996
<i>Conversion Rate</i>	78%	55%	100%	70%
<i>Co-operation Rate</i>	36%	32%	100%	35%
<i>Response Rate</i>	29%	34%	100%	30%

The conversion rate in remote communities was the highest at 90% and 96%, however the response varies due to the unattempted sample in these locations. Alice Springs had the lowest cooperation rate (10%) due to the large amount of un-contactable sample. Darwin had the most out of scope sample primarily due to a large proportion of sample with no fixed addresses.

Table 10: Distribution of Geographic Sample

Final Outcome	Alice Springs	Cairns	Darwin	Remote NT	Remote WA	Total
Interviews	111	230	431	276	75	1123
<i>% of Interviews</i>	10%	20%	38%	25%	7%	
Unable to Secure Interview	952	179	477	5	4	1617
<i>% of Unable to Secure Interview</i>	59%	11%	29%	0%	0%	
Refused	5	177	263	31	3	479
<i>% Refused</i>	1%	37%	55%	6%	1%	
Out of Scope	152	69	515	121	70	927
<i>% Out of Scope</i>	16%	7%	56%	13%	8%	
Not Attempted		255	301	1185	109	1850
<i>% Not Attempted</i>	0%	14%	16%	64%	6%	
Total	1220	910	1987	1618	261	5996
<i>Conversion Rate</i>	96%	57%	62%	90%	96%	70%
<i>Co-operation Rate</i>	10%	39%	37%	88%	91%	35%
<i>Response Rate</i>	21%	30%	38%	24%	55%	30%

The sample included a ratio of 60:40 females to males. There was a slight skew of females completing the survey (66%) to males (34%). The proportion of participants unable to secure and interview and refusals were more representative of the sample distribution. There was slightly more out of scope and unattempted male sample creating a lower response rate for males (67%) than females (72%).

Table 11: Distribution of Gender Sample

Row Labels	Female	Male	Grand Total
Interviews	741	382	1123
<i>% of Interviews</i>	66%	34%	
Unable to Secure Interview	974	643	1617
<i>% of Unable to Secure Interview</i>	60%	40%	
Refused	290	189	479
<i>% Refused</i>	61%	39%	
Out of Scope	485	442	927
<i>% Out of Scope</i>	52%	48%	
Not Attempted	1069	781	1850
<i>% Not Attempted</i>	58%	42%	
Total	3559	2437	5996
<i>Conversion Rate</i>	72%	67%	70%
<i>Co-operation Rate</i>	37%	31%	35%
<i>Response Rate</i>	72%	67%	70%

Participants were asked if they would consent to being contacted for Wave 2 in 2013. There were 15% of participants that do not want to be contacted. This means that the sample attrition for Wave 2 is 85% prior to commencing Wave 2. It is therefore anticipated that final sample may be as low as 667.

Table 13: Consent for Wave 2 2013

Row Labels	No	% No	Yes	% Yes	Total
Alice Springs	10	9%	101	91%	111
Darwin	70	16%	361	84%	431
Remote NT	33	12%	243	88%	276
Cairns	34	15%	196	85%	230
Other remote location	24	32%	51	68%	75
Total	171	15%	947	85%	1123

7. Data Cleaning and Coding

Practices to ensure high quality data were undertaken throughout the pilot and main fieldwork phases, rather than solely at the data processing stage of the project. The following process was followed to ensure the highest quality data was gathered and delivered for analysis purposes:

- During the preparation stage the CAPI script was strenuously tested and retested by the senior analyst who set the program up, the project manager, a member of the supervisory team and then the interviewing team during the project briefing.
- The CAPI script had built in consistency and validity checks as standard.
- Back-coding of 'other specify' responses was undertaken
- Interim and final files were processed by our data file checking tool (DFC). This tool is used in all stages of the checking process, and allows members of the research team to review the content of the data file, including survey logic and routing, in a semi-automated process;
- In addition to the DFC tool, the SPSS output was thoroughly reviewed manually by the project manager to double check the bases for each question and identify any missing/surplus data (usually attributed to back-coding); and
- Open ended questions were coded and coded data merged into the SPSS file.

8. Researcher Debriefing

Debriefings will occur in April and May to workshop ways to improve the study experience for the researchers and participants. The purpose of the workshops is to find better ways of working together.

Appendix C. LSNIM SURVEY INSTRUMENT

QMS FACE TO FACE FIELD REQUIREMENTS

Project No.: 42180	Project Name: Longitudinal Study of Income Management
Main Client Service Contact: Kylie Brosnan	
Client Service Project Leader: Naomi Downer	
Other Client Service Team Members: John Young, Robert Corrie	
Your Source Project Manager: N/A	
DA Representative: Xavier (Survey Centre – Offline and Online - Touch)	
Issue Date: 02-12-11	

QMS F2F FIELD BRIEFING NOTES

1. Background Information and Objectives of the Research

The client survey asks people being income managed about their experience of being income managed, views about income management and the impact it has on their ability to achieve their particular aspirations in the context of their lives. Information will be collected to evaluate the impacts income management has had on the respondents, their families and their communities. The research involves both quantitative and qualitative interviews which will ensure that the different values, norms and aspirations between Indigenous and non-Indigenous Australians and within the Indigenous population are reflected in the data collected. The evaluation seeks to understand both the individual and community level impacts of the policy and how they interact.

People who are not income managed but have the same welfare status and who would be eligible for income management but live outside the Northern Territory will also be included for comparison.

People who agree to participate will be asked to do a survey this year and again in 2013 so that we can see what changes have occurred over time.

2. Research Partners

Colmar Brunton has been commissioned to undertake the fieldwork and data collection for the project. Leading the investigation is the University of New South Wales, Social Policy Research Centre. Other research partners are Australian National University, Centre for Aboriginal Economic Policy Research and Australian Institute of Family Studies.

3. *Schedule/Timing*

Wave 1

Community Engagement and Awareness	September to November 2011
Pilot study of 30 people in Darwin	14-23 November 2011
Training	3-7 December 2011
Main Fieldwork	5 December to 20 February 2011

Wave 2

Community Engagement and Awareness	July 2013
Pilot study of 30 people in Darwin	August 2013
Main Fieldwork	September – November 2013

4. Sample Size and Areas

Area ID	State ID	Area	Sample
			50
		Comparison Sites	Sample

5. Sample/Recruiting Specification

Centrelink will randomly select people who qualify for the survey, living in the sample areas. FaHCSIA and Centrelink will send a letter advising people of the research and providing them with the opportunity to opt out of the research if they do not want to participate. FaHCSIA and Centrelink will provide a list of all those who have not opted out to Colmar Brunton. Colmar Brunton will then post (or hand deliver) a pre-approach letter notifying them that they have been selected for the research and we will be contacting them soon asking if they would like to participate in the research.

The researchers will then visit the people at their homes or around their community to ask them if they would like to participate, and if so organise a time and place that would be comfortable for both people to complete the survey.

Quota Instructions/Codes

Sampling strategy to ensure Male / Female / Indigenous / Non-Indigenous/ included.

No quota fail but quota count for each community:

Area	Completed Quantitative					
	Males	%	Females	%	Persons	%
11						
12						
13						
14						
15						
16						
17						
21						
22						
23						
24						
25						
31						
32						
33						
Total						

Area	Completed Quantitative					
	ATSI	%	Non-ATSI	%	Persons	%
11						
12						
13						
14						
15						
16						
17						
21						
22						
23						
24						
25						
31						
32						
33						
Total						

Qual Survey	Completed Qualitative					
	Males	%	Females	%	Persons	%
YES						

NO						
Total						

Qual Survey	Completed Qualitative					
	ATSI	%	Non-ATSI	%	Persons	%
YES						
NO						
Total						

Status Summary by Area

Area	Pending	%	Unable to Locate / Contact (PreQ1)	%	Refused (PreQ1)	%	Partial	%	Complete	%	Total Sample
11											
12											
13											
14											
15											
16											
17											
21											
22											
23											
24											
25											
31											
32											
33											
Total											

Status Summary by Area and Interviewer

Area	Interviewer Initials	Pending	%	Unable to Locate / Contact (PreQ1)	%	Refused (PreQ1)	%	Partial	%	Complete	%	Total Sample
11												
12												
13												
14												
15												
Total												

6. Incidence Rate/s

All of the people on the list supplied will qualify for the survey. People can still participate in the research even if they have applied for, or recently received an exemption from income management. We are interested in following all of those people who were on NIM at some stage, to see what are the outcomes for them and their family. Therefore it is also important to find out how those people who are exempt are doing also.

7. Interview Length

Quantitative Survey
Interview length = 25-45 mins using tablet laptop touch screen to record answers
Qualitative Survey
10% of the sample will do additional qualitative research (yet to be determined how this will occur)
60mins

8. Incentive/Thank You

Participants will be given \$30 gift for short survey and extra \$30 gift for longer qual survey. The gift could be store voucher, phone card/credit, power card etc. Keen to know what would work best in each community. Best to give the same gift to everyone in each community.

9. Other Specific Fieldwork Instructions

Local Research Assistant dress code: Colmar Brunton supplied shirt and cap, ID badge or subcontract organisations uniforms are also fine. We will be looking to hire a number of local researchers who work on this project. We pay local researchers in remote communities \$30 per hour (before tax) plus travel and accommodation expenses. Pay goes into their bank account fortnightly after the week they have worked. We can also be invoiced if they have ABN.

10. Questionnaire Instructions – Dealing With Overall Project Questions From Respondent

- Protocol for answering questions pertaining to **CLIENT IDENTITY**:

Colmar Brunton is an Australian owned private company that is working with other research partners UNSW SPRC, ANU CAEPR and AIFS. The study is being funded by the Australian Government (FaHCSIA).

- Protocol for answering questions pertaining to **RESEARCH SUBJECT**:

The questions are about their experience of being income managed, views about income management and the impact it has on their ability to achieve their particular aspirations in the context of their lives. You don't have to answer any question that you feel uncomfortable answering and you can stop at any time.

- Protocol for answering questions pertaining to **SOURCE OF RESEARCH SAMPLE**:

There were <insert sample size e.g. 50> people randomly selected in your area asked if they would like to participate in the survey.

11. General Questionnaire Instructions

The questionnaire is relatively straightforward. The interviewer instructions are there to guide you through the questionnaire. Please follow these carefully, and the interview will flow smoothly.

PLEASE FAMILIARISE YOURSELF WITH THE QUESTIONNAIRE AND THE CODE FRAMES BEFORE YOU COMMENCE INTERVIEWING SO THAT IT FLOWS MORE LIKE A CONVERSATION.

There are at least three languages available for the respondent should they wish to have audio and complete the survey themselves.

INTERVIEWER INSTRUCTIONS IN CAPITAL AND BOLD – do not read these allowed
Question text in black

DATA RECORDED FOR EACH SURVEY

Project Name	LSNIM
Project Number	42180
Start Time	RECORD AUTOMATICALLY
Finish Time	RECORD AUTOMATICALLY
Total Time (in mins)	CALCULATE
Date	DD/MM/YYYY
Location Number	(as per table numbered by location)
Interviewer	INTERVIEWER INITIALS
Mode	1. CAPI in English 2. CAPI in Other Language 3. PAPER SURVEY in English 4. PAPER SURVEY in Other Language
AUDIO	
LANGUAGE COMPLETED IN	IF CODE 2 or 4 AT MODE What language is this interview conducted in? (NOTE: USE LSIC PROGRAM QUESTION)

QMS F2F QUESTIONNAIRE

NOTE TO INTERVIEWER:

TEXT IN CAPITALS ARE INSTRUCTIONS – do not read these out loud
 TEXT IN SENTENCE CASE (small letters) IS THE SCRIPT TO BE READ OUT
 The script should be read out exactly as written where English literacy is high, rewording and further paraphrasing or interpreting will be done where necessary using the English version meaning and intent.
 CODES ARE ONLY READ OUT IF THERE IS NO DO NOT READ INSTRUCTION
 NOTE: EVERY QUESTION HAS THE ABILITY TO PUT IN ADDITIONAL COMMENTS

SECTION A: MANDATORY QMS REQUIREMENTS

INTRODUCTION

Good morning/afternoon/evening. My name is [INTERVIEWER] today I am working for <Insert organisation <> and Colmar Brunton.

Is now a good time to speak to you about the Income Management Survey?

IF AWARE OF SURVEY AND AGREE GO TO PREQ1:

IF NT SAMPLE - ONLY IF NECESSARY PROVIDE MORE INFORMATION: Today, we are talking to people about their experience of being income managed, views about income management and the impact it has on their lives. Finding the answer to these questions will help the Government and Universities find out what impact Income Management has had on people living in the Northern Territory. They want to do this so that they can learn lessons that will help them when they decide what to do in the future.

This is your chance to tell us how you feel about Income Management. It is important that we get lots of different people to tell us their story so we can build an overall picture of what it is like for everyone on Income Management.

Do you have any questions about the aims of this survey, or what your responses will be used for?

NOTE: CLARIFY THIS IS NOT ABOUT NTER IF NECESSARY. IF THEY ARE NO LONGER ON NIM THEY CAN STILL PARTICIPATE

IF SA or QLD SAMPLE - ONLY IF NECESSARY PROVIDE MORE INFORMATION: Today, we are talking to people about their experience of being on Government payments and the impact it has on their lives. Finding the answer to these questions from people in <> will help the Government and Universities compare the answers from people in the NT to find out what impact Income Management has had on people living in the Northern Territory. They want to do this so that they can learn lessons that will help them when they decided what to do in the future. It is important that we get lots of different people to tell us their story so we can build an overall picture.

Do you have any questions about the aims of this survey, or what your responses will be used for?

ALL

This survey will take about 35-45 minutes to complete and we will keep your answers private and combine it with all the others, so no one will know that it was you who said those comments. You can tell me at any time if you don't want to answer a particular question or if you want to stop.

PREQ1 IDEN

PREQ1. Would you like to participate?

1. Yes
2. No – Refused
3. No – Unable to locate / make contact.

IF 2 or 3 IN Q1, ABORT – RECORD STATUS FOR REPORTING

SECTION B: ABOUT YOU

Q1. GENDER

Descriptive Variable

Q1. NOTE GENDER. DO NOT READ (SR) 1. Male 2. Female	Quota Count
Q2. AGE Q2.(SR) What is your date of birth or Age? Clients should be 18 years or over. <div style="border: 1px solid black; padding: 5px; text-align: center;"> Date of Birth / / </div> PROGRAM TO CALCULATE AGE – So that means you are <AGE>? OR IF DON'T KNOW ASK: How old are you? RECORD AGE NUMERICALLY <div style="border: 1px solid black; height: 20px; width: 100%;"></div> OR IF DON'T KNOW APPROXIMATE AGE RECORD AGE RANGE 1. 18 – 19 2. 20 – 24 3. 25 – 29 4. 30 – 34 5. 35 – 39 6. 40 – 44 7. 45 – 49 8. 50 – 54 9. 55 – 59 10. 60 – 64 11. 65 and over 99. Prefer not to say 98. Under 18 – TERMINATE INTERVIEW	Descriptive Variable Quota Count
Q3. ATSI Q3. (SR) DO NOT READ OUT. IF KNOWN RECORD: Do you identify as being Aboriginal or Torres Strait Islander origin? 1. No 2. Yes, Aboriginal 3. Yes, Torres Strait Islander 4. Yes, both 99. Prefer not to say	
Q4. BORN Q4. (SR) Were you born in <insert State ID> or someplace else? 1. Northern Territory, Australia 2. South Australia 3. Queensland 4. Western Australia 5. NSW 6. VIC 7. ACT	

8. Tasmania 9. Other country (Specify – drop down list of countries) 99. Prefer not to say																																																						
Q5. RESIDENT Q5. (SR) In the last year, have you . . . ? INTERVIEWER: PROMPT TIMEFRAME SINCE LAST WET SEASON OR SINCE LAST CHRISTMAS IF NECESSARY 1. Always stayed in <insert location> 2. Stayed most of the time in <insert location> 3. Only stayed in <insert location> some of the time 4. I'm just visiting <insert location> 99. Prefer not to say																																																						
Q6. PARTNER Q6. (MR) Who are you living with? 1. Spouse/partner 2. Children and/or young people (aged up to and including 17 years) 3. Your Parents 4. Other family members 5. Non relative/friend housemates/roommates 6. I live on my own 99. Prefer not to say																																																						
Q7. CHILD PAYMENT Q7. (SR) Do you have children that you receive child benefit payments from Centrelink for? INTERVIEWER: INCLUDE FORMAL OR INFORMAL CARE ARRANGEMENTS. INCLUDE THOSE CHILDREN THEY MAY NOT BE LIVING WITH BUT GET MONEY FOR. 1. Yes 2. No If code 1 go to Q7a If code 2 go to Q10																																																						
Q7a CHILDRENCARE INTERVIEWER: Main carer is someone that looks after most of the primary care needs of the child. <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">First Name or Initial</th> <th rowspan="2">Age</th> <th colspan="2">Are you the main carer?</th> <th colspan="2">Are you the birth (biological) parent?</th> </tr> <tr> <th>Yes</th> <th>No</th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>1. Child/YP 1</td> <td>Specify...</td> <td><0-17></td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> </tr> <tr> <td>2. Child/YP 2</td> <td>Specify...</td> <td><0-17></td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> </tr> <tr> <td>3. Child/YP 3</td> <td>Specify...</td> <td><0-17></td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> </tr> <tr> <td>4. Child/YP 4</td> <td>Specify...</td> <td><0-17></td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> </tr> <tr> <td>5. Child/YP 5</td> <td>Specify...</td> <td><0-17></td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> </tr> <tr> <td>PROGRAMMING</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		First Name or Initial	Age	Are you the main carer?		Are you the birth (biological) parent?		Yes	No	Yes	No	1. Child/YP 1	Specify...	<0-17>	1	2	1	2	2. Child/YP 2	Specify...	<0-17>	1	2	1	2	3. Child/YP 3	Specify...	<0-17>	1	2	1	2	4. Child/YP 4	Specify...	<0-17>	1	2	1	2	5. Child/YP 5	Specify...	<0-17>	1	2	1	2	PROGRAMMING							
				First Name or Initial	Age	Are you the main carer?		Are you the birth (biological) parent?																																														
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1. Child/YP 1	Specify...	<0-17>	1	2	1	2																																																
2. Child/YP 2	Specify...	<0-17>	1	2	1	2																																																
3. Child/YP 3	Specify...	<0-17>	1	2	1	2																																																
4. Child/YP 4	Specify...	<0-17>	1	2	1	2																																																
5. Child/YP 5	Specify...	<0-17>	1	2	1	2																																																
PROGRAMMING																																																						

NOTE – ALLOW UP TO 20																																									
99 Prefer not to say If code 99 go to Q10																																									
Please filter based on children aged less than 5 years at Q7a and insert name in table. Q8. CHILDREN IN CARE Q8. (MR) Does <insert name> attend any childcare or playgroups? INTERVIEWER: PROMPT WITH THE NAMES OF LOCAL CENTRES OR SERVICES IN QLD AND SA IT MAY BE KINDERGARDENS <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Attend childcare or playgroup</th> </tr> <tr> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>1. Child under 5, 1</td> <td>1</td> <td>2</td> </tr> <tr> <td>2. Child under 5, 2</td> <td>1</td> <td>2</td> </tr> <tr> <td>3. Child under 5, 3</td> <td>1</td> <td>2</td> </tr> <tr> <td>4. Child under 5, 4</td> <td>1</td> <td>2</td> </tr> <tr> <td>5. Child under 5, 5</td> <td>1</td> <td>2</td> </tr> </tbody> </table> If code 1 only go to Q9 If code 2 for any child go to Q8a		Attend childcare or playgroup		Yes	No	1. Child under 5, 1	1	2	2. Child under 5, 2	1	2	3. Child under 5, 3	1	2	4. Child under 5, 4	1	2	5. Child under 5, 5	1	2																					
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3. Child under 5, 3	1	2																																							
4. Child under 5, 4	1	2																																							
5. Child under 5, 5	1	2																																							
Q8a. WHY NOT IN CARE Q8a. (MR) Why isn't <insert name> going to child care? DO NOT READ OUT RECORD RESPONSE FOR EACH CHILD AT Q10. 1. Don't need child care / I look after them 2. No places available / Can't get in 3. Too expensive / Can't afford it 4. Have no way of getting there / No Transport 5. There is no child care in my area 6. The child care in my area is not culturally appropriate for my child / concerned not learning their culture 7. The child care in my area is not good quality / concerned about quality of care 8. Child has special needs / has a disability or very sick 9. Other (Specify) 99. Prefer not to say																																									
Please filter based on children aged 5 to 15 years at Q7 and insert name in table. Q9. CHILDREN AT SCHOOL Q9. (MR) How often did <Insert Name or Initial> go to school <he/she> was supposed to last term? INTERVIEWER: SCHOOL INCLUDES PRESCHOOL OR PREP FOR 5 year olds <table border="1"> <thead> <tr> <th></th> <th>Every Day</th> <th>Most Days</th> <th>Sometimes</th> <th>Never</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>1. Child under 5-15, 1</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>2. Child under 5-15, 2</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>3. Child under 5-15, 3</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>4. Child under 5-15, 4</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>5. Child under 5-15, 5</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </tbody> </table>		Every Day	Most Days	Sometimes	Never	Don't know	1. Child under 5-15, 1	1	2	3	4	5	2. Child under 5-15, 2	1	2	3	4	5	3. Child under 5-15, 3	1	2	3	4	5	4. Child under 5-15, 4	1	2	3	4	5	5. Child under 5-15, 5	1	2	3	4	5					
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5. Child under 5-15, 5	1	2	3	4	5																																				

5-15, 5						
Allow up to 20	1	2	3	4	5	

If Code 1 or 2 or 5 go to Q10
If Code 3 or 4 for any child go to Q9a

Q9a. WHY NOT AT SCHOOL
Q9a. (MR) Why didn't <insert name or Initial> go to school more often?
DO NOT READ OUT

1. Have other cultural or family obligations that are more important than school
2. Don't need to go to school
3. Have no way of getting there / No Transport
4. The school in my area is not culturally appropriate for my child / concerned not learning their culture
5. The school in my area is not good quality / concerned about quality of education
6. Child has special needs / has a disability or very sick
7. Child is picked on / bullied or scared to go to school
8. Child doesn't like school / doesn't want to go to school
9. Child is taken to school – but leaves
10. Other (Specify)
99. Prefer not to say

Q12a. (SR) Would you like to be studying or training?

1. Yes
2. No

If code 1 go to Q12b
If code 2 go to Q13

Q12b. WHY NOT STUDYING
Q12b. (MR) Why aren't you studying or training?
DO NOT READ OUT

1. Too Expensive / Can't afford to
2. No Transport / No way of getting there
3. No Training facilities / centres in my area
4. No courses I want to do in my area
5. Courses I want to do not in area/too far or expensive to travel to
6. Kinship obligation
7. Other Specify
99. Prefer not to say

SECTION C: EDUATION AND TRAINING

Q10. SCHOOLING
Q10. (SR) Tell me about your schooling. Did you....?
READ OUT

1. Only go to primary school
2. Did some high school but didn't finish
3. Finish High School
4. Still in High School (DO NOT READ OUT)
5. Never attended school (DO NOT READ OUT)
99. Prefer not to say

Q11. TRAINING
Q11. (MR) Have you finished any other study or training such as?
READ OUT
INTERVIEWER: MAKE SURE THEY HAVE FINISHED THIS TRAINING

1. Trade/Apprenticeship
2. Certificate (business college, TAFE, VET)
3. Diploma (business college, TAFE, VET, UNI)
4. Degree (bachelor) or Post-Graduate (PHD, Masters etc)
5. Other Specify
6. None of these (DO NOT READ OUT)
99. Prefer not to say

Q12. STUDYING
Q12. (SR) Are you studying or training now?
INTERVIEWER: This might be studying or doing a VET course, Job Network course, or some other training (Registered Training Organisation RTO).

1. Yes
2. No

If code 1 go to Q13
If code 2 go to Q12a

Q12a. NOT STUDYING

SECTION D: EMPLOYMENT

<p>Q13. WORK LAST WEEK Q13. (MR) In last 4 weeks, did you do any work? INTERVIEW: CLARIFY CDEP or WORK FOR DOLE IS INCLUDED</p> <ol style="list-style-type: none"> Yes, CDEP job / Work for dole Yes, other paid work No No, retired / too old to work No, unable to work / disability pension <p>If code 1 or 2 go to Q13a If code 3 go to Q14 If code 4 or 5 go to Q17</p>	
<p>Q13a. CURRENT JOB Q13a. (SR) How long have you been doing that job (s)? INTERVIEWER: SELECT THE TIME MODE THEN THE NUMBER</p> <ol style="list-style-type: none"> Number of days..... Number of months..... Number of years..... Do not currently have a job 	
<p>Q13b. HOURS WORKED Q13b. (SR) How many hours did you work doing that job (s) per week? INTERVIEWER: AVERAGE NUMBER WORKED ACROSS THE LAST 4 WEEKS</p> <ol style="list-style-type: none"> Number of hours..... Don't Know 99. Prefer not to say <p>NOW ALL CODES SKIP TO Q17</p>	
<p>Q14. LOOKING FOR WORK Q14. (SR) At any time in the last four weeks have you been looking for work?</p> <ol style="list-style-type: none"> Yes No <p>If code 1 go to Q16 If code 2 go to Q15</p>	
<p>Q15. LIKE A JOB Q15. (SR) Even though you have not been looking for work in the last 4 weeks, would you like a job?</p> <ol style="list-style-type: none"> Yes No 	
<p>Ask if code 4 at Q13a or code 3 at Q13</p> <p>Q16. WHY NOT WORKING Q16. (SR) Why are you not working at the moment? DO NOT READ OUT</p>	

- No jobs in my area that I want to do
- No jobs in my area that I can do
- Only jobs available are not suited to me
- Cultural of family obligations are more important than working
- Caring for children
- Caring for adults or other family members
- Not able to work due to Physical / Mental Health conditions
- Too old
- Other Specify.....
- 99 Prefer not to say

SECTION E: MONEY (BEFORE INCOME MANAGEMENT AND NOW)

<p>Q17a FIRST IM Q17a ASK NT SAMPLE ONLY When did you first go on Income Management? NOTE: YOU MAY NEED TO TALK THROUGH THIS ONE TO DETERMINE RESPONSE – APPROXIMATELY IS OK</p> <ol style="list-style-type: none"> Before the NTER (Intervention) 2008 Since the NTER (Intervention) 2008 After NTER (Intervention) 2008 but before New Income Management (2010) Since New Income Management 2010 Don't Know Never - TERMINATE 99. Prefer not to say <p>IF code 6 NEVER BEEN ON IM THEN TERMINATE INTERVIEW</p>																																																													
<p>Q17b. BEFORE IM Q17b. ASK IF NT SAMPLE (SR) Thinking back now to before you were first income managed did any of the following happen to you? Q17b. ASK IF QLD/SA SAMPLE (SR) Did any of the following happen to you in last 12 months? READ OUT</p> <table border="1"> <thead> <tr> <th></th> <th>Yes</th> <th>No</th> <th>Not Applicable (Always been on it)</th> <th>Can't recall</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>1. Ran out of money to buy food</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>2. Ran out of money to buy clothes</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>3. Ran out of money to buy medicines</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>4. Were unable to pay for your rent on time</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>5. Were unable to save up bond money</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>6. Were unable to pay for water and electricity bills on time</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>7. Have you Saved money</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>8. Gave money to others causing financial problems for you</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>9. Asked for money from others because you could not buy essential things (e.g. food, clothes, medicine, bills)</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </tbody> </table>		Yes	No	Not Applicable (Always been on it)	Can't recall	Don't know	1. Ran out of money to buy food	1	2	3	4	5	2. Ran out of money to buy clothes	1	2	3	4	5	3. Ran out of money to buy medicines	1	2	3	4	5	4. Were unable to pay for your rent on time	1	2	3	4	5	5. Were unable to save up bond money	1	2	3	4	5	6. Were unable to pay for water and electricity bills on time	1	2	3	4	5	7. Have you Saved money	1	2	3	4	5	8. Gave money to others causing financial problems for you	1	2	3	4	5	9. Asked for money from others because you could not buy essential things (e.g. food, clothes, medicine, bills)	1	2	3	4	5	
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10. Asked for emergency relief	1	2	3	4	5
11. Unable to afford to travel to visit family/friends	1	2	3	4	5
12. Unable to pay for school activities/trips or sports for children	1	2	3	4	5

Q18. AFTER IM
Q18. (MR) In the last 4 weeks, did any of the following happen to you?
READ OUT

	Yes	No	Don't know
1. Ran out of money to buy food	1	2	3
2. Ran out of money to buy clothes	1	2	3
3. Ran out of money to buy medicines	1	2	3
4. Were unable to pay for your rent on time	1	2	3
5. Were unable to save up bond money	1	2	3
6. Were unable to pay for water and electricity bills on time	1	2	3
7. Have you Saved money	1	2	3
8. Gave money to others causing financial problems for you	1	2	3
9. Asked for money from others because you could not buy essential things (e.g. food, clothes, medicine, bills)	1	2	3
10. Asked for emergency relief	1	2	3
11. Unable to afford to travel to visit family/friends	1	2	3
12. Unable to pay for school activities/trips or sports for children	1	2	3

Q19a. HELPED MONEY SITUATION
Q19a. (SR) In the past year what has helped with money problems?

1. Record response.....

2. No Comment

Q19B. NOT HELPED MONEY SITUATION
Q19b. (SR) In the past year what has made money problems for you?

1. Record response.....

2. No Comment

Q20. CENTREPAY
Q20. (SR) Have you heard of Centrepay?
INTERVIEWER: EXPLAIN IF NECESSARY – CENTREPAY IS A VOLUNTARY BILL PAYING SERVICE. CUSTOMERS CAN SET UP OR CANCEL THEIR CENTREPAY DEDUCTIONS AT ANY TIME TO SUIT THEIR OWN PERSONAL CIRCUMSTANCES. THIS IS VOLUNTARY. IT IS ABOVE THE 50% IM ALLOCATION IN NT and ANY AMOUNT IF QLD AND SA.

1. Yes
2. No

If Code 1 Yes go to Q20a
If Code 2 No go to Q21

Q20a. USECENTREPAY
Q20a. (SR) Have you used Centrepay in the last 4 weeks?

1. Yes
2. No

If Code 1 Yes go to Q20b
If Code 2 No go to Q21

Q20b. WHYUSECENTREPAY
Q20b. (SR) Is that working for you?

1. Yes
2. No
3. Don't Know
99 Prefer not to say

Q20c. CENTREPAY VERSUS IM
Q20c. ASK NT SAMPLE ONLY (SR) Would you prefer to use Centrepay OR income management OR both OR neither?

1. Centrepay
2. Income management
3. Both
4. Neither
5. Don't know

SECTION F: WELLBEING

<p>Q21. HEALTH</p> <p>Q21. (SR) Would you say your health is?</p> <ol style="list-style-type: none"> Good Ok Not so good Prefer not to say 	
<p>Q22. ALCOHOL</p> <p>Q22. (SR) Is drinking grog (alcohol) for your family a...?</p> <p>INTERVIEWER: FAMILY MEANS LITTLE FAMILY OR CLOSE FAMILY</p> <ol style="list-style-type: none"> Not a problem Bit of a problem Very big problem Prefer not to say 	
<p>Q23. DRUGS</p> <p>Q23. (SR) Is smoking gunja or taking other drugs for your family a...?</p> <p>INTERVIEWER: FAMILY MEANS LITTLE FAMILY OR CLOSE FAMILY</p> <ol style="list-style-type: none"> Not a problem Bit of a problem Very big problem Prefer not to say 	
<p>Q24. GAMBLING</p> <p>Q24. (SR) Is gambling for your family a...?</p> <p>INTERVIEWER: FAMILY MEANS LITTLE FAMILY OR CLOSE FAMILY</p> <ol style="list-style-type: none"> Not a problem Bit of a problem Very big problem Prefer not to say 	
<p>Q25. CHANGE IN FAMILY PROBLEMS</p> <p>Q25. (SR) Have you had more or less of these problems (like drinking, drugs or gambling) in your family than a year ago? READ OUT</p> <ol style="list-style-type: none"> A lot more A bit more About the same A bit less A lot less Prefer not to say 	
<p>ASK IF CODE 1,2,4,or 5</p> <p>Q25a. CHANGE FAMILY PROBLEMS</p> <p>Q25a. (SR) What has made the difference? Probe fully.</p> <p>INTERVIEWER: NOTE THE REASONS FOR THE POSITIVE OR NEGATIVE DIFFERENCES</p> <ol style="list-style-type: none"> Record response..... No Comment 	

SECTION G: COMMUNITY WELLBEING

<p>The next few questions are about this community where you live now, <insert sample location>.</p> <p>Q26. CHANGES IN CHILDREN SINCE IM</p> <p>Q26. ASK NT SAMPLE (MR) Have you noticed any of the following changes in children in <insert sample location> in the last 12 months</p> <p>Q26. ASK QLD/SA SAMPLE (MR) Have you noticed any of the following changes in children in <insert sample location> in the last 12 months?</p> <table border="1"> <thead> <tr> <th></th> <th>Healthier</th> <th>About the same</th> <th>Less healthy</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>1. Health</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td>More food</td> <td>About the same</td> <td>Less food</td> <td>Don't know</td> </tr> <tr> <td>2. Food</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td>Safer</td> <td>About the same</td> <td>Less safe</td> <td>Don't know</td> </tr> <tr> <td>3. Safety</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td>Going to school more</td> <td>About the same</td> <td>Going to school less</td> <td>Don't know</td> </tr> <tr> <td>4. School</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td>Happier</td> <td>About the same</td> <td>Less happy</td> <td>Don't know</td> </tr> <tr> <td>5. Happiness</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td>More cultural activities</td> <td>About the same</td> <td>Less cultural activities</td> <td>Don't know</td> </tr> <tr> <td>6. Cultural activities</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> </tbody> </table> <p>I going to read out a list of problems some communities may or may not have. Please tell me which are a problem and which are not a problem in <insert sample location>?</p> <p>Q27. CHANGES IN P12M</p> <p>Q27. (MR) Is any of these a problem in <insert sample location> since last year?</p> <table border="1"> <thead> <tr> <th>Problem</th> <th>Big problem (happens a lot of the time)</th> <th>Small problem (happens a bit of the time)</th> <th>Not a problem (doesn't happen here)</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>1. Kids not being taught culture or language</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>2. Kids not being looked after proper</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>3. Kids not going to school</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>4. Men and Women fighting about money</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>5. Drinking too much</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>6. Smoking gunja or taking drugs</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>7. People spending all their time gambling</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td>8. People getting in trouble with the police</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> </tbody> </table>		Healthier	About the same	Less healthy	Don't know	1. Health	1	2	3	4		More food	About the same	Less food	Don't know	2. Food	1	2	3	4		Safer	About the same	Less safe	Don't know	3. Safety	1	2	3	4		Going to school more	About the same	Going to school less	Don't know	4. School	1	2	3	4		Happier	About the same	Less happy	Don't know	5. Happiness	1	2	3	4		More cultural activities	About the same	Less cultural activities	Don't know	6. Cultural activities	1	2	3	4	Problem	Big problem (happens a lot of the time)	Small problem (happens a bit of the time)	Not a problem (doesn't happen here)	Don't know	1. Kids not being taught culture or language	1	2	3	4	2. Kids not being looked after proper	1	2	3	4	3. Kids not going to school	1	2	3	4	4. Men and Women fighting about money	1	2	3	4	5. Drinking too much	1	2	3	4	6. Smoking gunja or taking drugs	1	2	3	4	7. People spending all their time gambling	1	2	3	4	8. People getting in trouble with the police	1	2	3	4	
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SECTION H: EXPERIENCE

<p>Q28. IMPRESSION OF CENTRELINK</p> <p>Q28. (SR) Please tell us what you think of Centrelink Service? How often do you feel this way...</p>	<p>(MOVED TO START OF SECTION H)</p>
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	All the time	Most of the time	Sometimes	Hardly Ever	Never	Don't know
1. I am treated with respect	1	2	3	4	5	6
2. I feel my needs are met	1	2	3	4	5	6
3. I feel more able to manage my money	1	2	3	4	5	6
4. I would recommend the service to others	1	2	3	4	5	6
5. I feel my privacy is respected (don't let other people hear my business)	1	2	3	4	5	6
6. They explain things well (use words and terms that I understand)	1	2	3	4	5	6
7. They understand and respect my cultural and family obligations	1	2	3	4	5	6

Q27aa. SPOKEN TO MMFCS IN P4WKS
Q27aa. **(SR)** In the last 12 Months have you spoken to someone from Money Management or Financial Counselling Services?
PROMPT IF NECESSARY FOR PROVIDER IN THE COMMUNITY
1. Yes
2. No
3. Not sure
If code 1 go to Q27a
If code 2 or 3 go to Q29

Q27a MM Why
Q27a **(MR)** Why did you see a Money Management or financial counselling service?
READ OUT
1. To do the Approved Money Management Course
2. To do Money-minded or Moneybusiness course
3. Centrelink told me to
4. Because another organisation referred me
5. Had debts
6. Had a big bill
7. Run out of money
8. Help with a budget
9. Help save money.
10. Other reasons, what?.....\

Q27b MM HELP
Q27b **(SR)** Did they help you with ...
READ OUT

	YES	NO	Don't Know
Accessing the Approved Money Management Course	1	2	3

Dealing with centrelink= Things like being breached, owing a debt to Centrelink or may needing assistance in applying for Centrelink or negotiating the exemption pathway or shifts on to or off

	1	2	3
Dealing with Centrelink	1	2	3
Debts	1	2	3
Big bills	1	2	3
Budgeting	1	2	3
Savings	1	2	3
Referred to another organisation	1	2	3
Other things – what?	1	2	3

VIM. MM or CFC workers may assist with these matters. This could be included as explanatory notes for interviewers.

Q27c MM WHY HELP
Q27c (SR) IF YES (CODE 1) at Q27b ask - How did that help?
Q27c (SR) IF NO (CODE 2) at Q27b ask – Why didn't that help?
LOOP Q27c TO APPEAR AFTER EACH STATEMENT IN Q27b
1. Record response.....
2. No Comment

<p>Q29. MATCHED SAVINGS</p> <p>Q29. ONLY IF NT SAMPLE (SR) Have you heard of the matched savings plan? INTERVIEWER EXPLAIN MATCHED SAVINGS:</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure <p>If code 1 go to Q29a If code 2 or 3 go to Q30</p>	
<p>Q29a. MATCHED SAVINGS</p> <p>Q29a. ONLY IF NT SAMPLE (SR) Have you gone to an approved Money Management Course, this includes MoneyMinded or MoneyBusiness course? INTERVIEWER EXPLAIN :</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure <p>If code 1 go to Q29b If code 2 or 3 go to Q29e</p>	
<p>Q29b. MATCHED SAVINGS</p> <p>Q29b. ONLY IF NT SAMPLE (SR) Have you finished the approved Money Management Course and got your certificate? INTERVIEWER THEY NEED TO GET THEIR CERTIFICATE:</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure <p>If code 1 go to Q29c If code 2 or 3 go to Q30</p>	
<p>Q29c. MATCHED SAVINGS</p> <p>Q29c. ONLY IF NT SAMPLE (SR) Have you saved any money? INTERVIEWER THEY NEED TO SHOW A PATTERN OF SAVING OVER 3 MONTHS:</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure <p>If code 1 go to Q29d If code 2 or 3 go to Q30</p>	
<p>Q29d. MATCHED SAVINGS</p> <p>Q29d. ONLY IF NT SAMPLE (SR) Have you received the bonus money from Centrelink? INTERVIEWER EXPLAIN MATCHED SAVINGS:</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure <p>If code 1 go to Q29e If code 2 or 3 go to Q30</p>	
<p>Q29e. MATCHED SAVINGS</p> <p>Q29e. ONLY IF NT SAMPLE (SR) Do you think you might try matched savings in the future?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure 	

SECTION H: ATTITUDES

Q30. CONTROL OVER MONEY	
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<p>Q30. IF NT SAMPLE (SR) Do you have more or less control of your money in your family than you did before Income management?</p> <ol style="list-style-type: none"> 1. Q30 IF SA/QLD SAMPLE (SR) Do you have more or less control of your money in your family than you did 12 months ago? More control now 2. About the same 3. Less control now 4. Not sure 5. Prefer not to say <p>If code 2 or 4 or 5 go to Q32</p>	
<p>Q31. WHY MORE/LESS CONTROL OVER MONEY</p> <p>Q31. IF NT SAMPLE (SR) Why is that? Is that a good thing or bad thing? Probe fully.</p> <ol style="list-style-type: none"> 1. Record response..... 2. No Comment 	
<p>Q32. IM NOW</p> <p>Q32. ASK NT SAMPLE ONLY (SR) Are you being income managed now?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know <p>If code 1 go to Q33 If code 2 or 3 go to Q35</p>	
<p>Q33. ASKED FOR IM</p> <p>Q33. ASK NT SAMPLE ONLY (SR) Did you ask to be income managed?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know <p>If code 1 go to Q33a If code 2 or 3 go to Q35</p>	
<p>Q33a. VOLUNTARY IM</p> <p>Q33a. ONLY IF NT SAMPLE (SR) Have you received an incentive payment for asking to be on Income Management?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure 	
<p>Q34. ASKED FOR IM YES</p> <p>Q34. ASK NT SAMPLE ONLY (SR) Why did you ask to be income managed? Probe fully.</p> <ol style="list-style-type: none"> 1. Record response..... 2. No Comment 	
<p>Q35. BASICSCARD</p> <p>Q35. ASK NT SAMPLE ONLY (SR) Do you have a BasicsCard?</p> <ol style="list-style-type: none"> 1. Yes 2. No <p>If code 1 go to Q38 If code 2 go to Q36</p>	

<p>Q36. BASICSCARD YES</p> <p>Q36. ASK NT SAMPLE ONLY (SR) Why you don't you have one? DO NOT READ OUT</p> <ol style="list-style-type: none"> 1. Allocated my 50% to other bills 2. Not income managed any more 3. I have store credit or store card 4. Didn't want the card / stigma of card / shame to have card 5. Other Specify.... 99. Prefer not to say 																					
<p>Q37. BASICSCARD YES</p> <p>Q37. ASK NT SAMPLE ONLY (SR) Would you like a BasicsCard?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know 																					
<p>Q38. EVER IM</p> <p>Q38. ASK SA/QLD SAMPLE ONLY (SR) Have you ever been on income management?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know <p>If code 1 go to Q38a</p> <p>If code 2 or 3 go to Q39</p>																					
<p>Q38a. ASKED FOR IM</p> <p>Q38a. ASK SA/QLD SAMPLE ONLY (SR) Did you ask to be income managed?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know <p>If code 1 go to Q38b</p> <p>If code 2 or 3 go to Q39</p>																					
<p>Q38b. ASKED FOR IM YES</p> <p>Q38b. ASK SA/QLD SAMPLE ONLY (SR) Why did you ask to be income managed? Probe fully.</p> <ol style="list-style-type: none"> 1. Record response..... 2. No Comment 																					
<p>Q39. FEELINGS ABOUT IM</p> <p>Q39. ASK NT SAMPLE ONLY (SR) Have things changed since being on Income Management? Is..</p> <p>Q39. ASK SA/QLD SAMPLE ONLY (SR) Have things changed since 12 months ago? Is...</p> <table border="1"> <thead> <tr> <th></th> <th>Easier</th> <th>About the same</th> <th>Harder</th> <th>Don't know</th> </tr> </thead> <tbody> <tr> <td>1. Managing your money</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <th></th> <th>Easier</th> <th>About the same</th> <th>Harder</th> <th>Don't know</th> </tr> <tr> <td>2. Saving money</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> </tbody> </table>		Easier	About the same	Harder	Don't know	1. Managing your money	1	2	3	4		Easier	About the same	Harder	Don't know	2. Saving money	1	2	3	4	
	Easier	About the same	Harder	Don't know																	
1. Managing your money	1	2	3	4																	
	Easier	About the same	Harder	Don't know																	
2. Saving money	1	2	3	4																	

		Easier	About the same	Harder	Don't know	
3. Having enough money for food	1	2	3	4		
	Easier	About the same	Harder	Don't know		
4. Knowing how much money you have	1	2	3	4		
	Easier	About the same	Harder	Don't know		
5. Looking after Family obligations	1	2	3	4		

Ask if code 1 at Q32

Q39a. FEELINGS ABOUT IM

Q39a. ASK NT SAMPLE ONLY **(SR)** How often do you feel this way about income management? RANDOMISE STATEMENTS

	All the time	Most of the time	Sometimes	Hardly ever	Never	DK N/A
1. I feel discriminated against being Income Managed	1	2	3	4	5	6
2. Being on Income Management is embarrassing	1	2	3	4	5	6
3. I am more in control of my life since being on Income Management	1	2	3	4	5	6
4. It is not fair for me to be income managed	1	2	3	4	5	6
5. Things are better for me and my family on Income Management	1	2	3	4	5	6
6. I feel I have more control over my money	1	2	3	4	5	6
7. I am not worried about money when I have income management	1	2	3	4	5	6
8. I feel safer on Income Management	1	2	3	4	5	56

Q39b. FEELINGS ABOUT BENEFITS

Q39b. ASK SA/QLD SAMPLE ONLY **(SR)** How often do you feel this way about being on Centrelink payments? RANDOMISE STATEMENTS

	All the time	Most of the time	Sometimes	Hardly ever	Never	DK N/A
1. I feel discriminated against being on Centrelink payments	1	2	3	4	5	6
2. Being on Centrelink payments is embarrassing	1	2	3	4	5	6
3. I am more in control of my life since being on Centrelink payments	1	2	3	4	5	6

4. It is not fair for me to be on Centrelink payments	1	2	3	4	5	6	
5. Things are better for me and my family on Centrelink payments	1	2	3	4	5	6	
6. I feel I have more control over my money	1	2	3	4	5	6	
7. I am not worried about money when I have Centrelink Payments	1	2	3	4	5	6	
8. I feel safer on Centrelink payments	1	2	3	4	5	56	

Q40. IM IN HOUSEHOLD
Q40. ASK NT SAMPLE ONLY **(MR)** Who in your household is income managed?
ONLY SHOW THOSE MENTIONED AT Q6
DO NOT SHOW CODE 2
DO NOT SHOW IF LIVE ALONE CODE 7 OR CODE 2 ONLY AT Q6

- Spouse/partner
- Children and/or your people (16 years or over)
- Your parents
- Other family members
- Friends
- Non relative/friend housemates/roommates
- Don't Know / Live alone

IF CODE 2 AT Q32 (NOT ON NIM) SKIP TO Q43

Q41. AIM FOR IM
Q41. ASK NT SAMPLE ONLY **(SR)** Do you want to?

- Stay on income management
- Get off income management
- Not sure

Q42. AIM FOR IM WHY
Q42. ASK NT SAMPLE ONLY **(SR)** Why is that? Probe fully.

- Record response.....
- No Comment

Q43. TRIED TO STOP IM BEFORE
Q43. ASK NT SAMPLE ONLY **(SR)** Have you tried to get off income management before?

- Yes
- No
- Not sure

If code 1 go to Q44
If code 2 or 3 go to Q46

Q44. TRIED TO STOP IM BEFORE WHY
Q44. ASK NT SAMPLE ONLY **(MR)** Why did you try to get off income management? Probe fully.
DO NOTE READ OUT

- I want control of my own money
- I hate the stigma / shame / embarrassment of Income management
- I want my rights back
- I want to have the freedom to choose what I spend money on
- Things are cheaper when you can use cash not BasicsCard
- Nothing
- Other Specify.....
- 99 Prefer not to say

Q45. TRIED TO STOP IM BEFORE WHAT HAPPENED
Q45. ASK NT SAMPLE ONLY **(SR)** What happened when you tried to get off income management? Probe fully.

- Record response.....
- No Comment

IF CODE 2 AT Q32 (NOT ON NIM) SKIP TO Q48b

Q46. TRYING TO STOP IM NOW
Q46. ASK NT SAMPLE ONLY **(SR)** Are you trying to get off income management now?

- Yes
- No
- Not sure

If code 1 go to Q47
If code 2 or 3 go to Q49

Q47. TRYING TO STOP IM NOW WHY
Q47. ASK NT SAMPLE ONLY **(SR)** Why are you trying to get off income management now? DO NOT READ OUT

- I want control of my own money
- I hate the stigma / shame / embarrassment of Income management
- I want my rights back
- I want to have the freedom to choose what I spend money on
- Things are cheaper when you can use cash not BasicsCard
- Other Specify.....
99. Prefer not to say

Q48a. TRYING TO STOP IM NOW HOW
Q48a. ASK NT SAMPLE ONLY **(MR)** What are you doing to get off income management now? DO NOT READ OUT

- Sending my children to school
- Looking after my children
- Looking for work
- Working
- Studying or Training
- Staying out of trouble
- Other Specify.....
99. Prefer not to say

ALL CODES SKIP TO Q49	
<p>Q48b. DID TO STOP IM NOW HOW</p> <p>Q48b. ASK NT SAMPLE ONLY (MR) What did you do to get off income management? DO NOT READ OUT</p> <ol style="list-style-type: none"> 1. Sending my children to school 2. Looking after my children 3. Looking for work 4. Working 5. Studying or Training 6. Staying out of trouble 7. Other Specify..... 100. Prefer not to say 	
<p>Q49. MOVE TO AVOID IM</p> <p>Q49. ASK NT SAMPLE ONLY (SR) Have you ever thought about moving away from the NT to avoid being income managed?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure 	
<p>Q50. MOVE TO AVOID IM</p> <p>Q50. ASK SA/QLD SAMPLE ONLY (SR) Have you ever moved away from a place to avoid being income managed?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Not sure 	
<p>Q51. IM IMPACT ON CULTURE</p> <p>Q51. ASK NT SAMPLE ONLY How has Income Management changed the way you practice culture or family obligations? INTERVIEWER NOTE: <i>This might be things like helping pay for funerals or paying for things for family, travelling to be with family, not able to work/ look for work during ceremony time. For Immigrants this might be sending money home to family or other cultural needs. Probe fully. Has it made it harder or has it made it easier?</i></p> <ol style="list-style-type: none"> 1. Record response..... 2. No Comment 	
<p>Q51a. GOOD ABOUT IM</p> <p>Q51a. ASK NT SAMPLE ONLY (SR) Overall, what is good about Income Management? Probe fully.</p> <ol style="list-style-type: none"> 3. Record response..... 4. No Comment 	
<p>Q51b. BAD ABOUT IM</p> <p>Q51b. ASK NT SAMPLE ONLY (SR) Overall, what is bad about Income Management? Probe fully.</p> <ol style="list-style-type: none"> 1. Record response..... 2. No Comment 	
<p>Q51c. RECOMMEND IM</p> <p>Q51c. ASK NT SAMPLE ONLY (SR) If someone wasn't on Income Management would</p>	

<p>you recommend it to them?</p> <ol style="list-style-type: none"> 1. Yes 2. No 3. Don't Know 99. Prefer not to say 	
<p>Q51d. BETTERIM</p> <p>Q51d. ASK NT SAMPLE ONLY (SR) Overall do you think Income Management has...?</p> <ol style="list-style-type: none"> 1. Made things better for you 2. Made no difference for you 3. Made things worse for you 4. Don't Know 99. Prefer not to say 	
<p>Q52. CONSULT</p> <p>Q52. When new policies like Income Management are being talked about what could government do better to consult people?</p> <ol style="list-style-type: none"> 1. Record response..... 2. No Comment 	

SECTION Z: MANDATORY QMS REQUIREMENTS

CONCLUSION

That's the end of the interview. As this is social research, it is carried out in compliance with the Privacy Act and the information you provided will be used only for research purposes. Your answers will be combined with those of other people.

KEEP IN TOUCH

We would like to come back and talk to you again in 2013. Can you please tell me if the details I have are correct?

NOTE: INSERT FROM SAMPLE BUT ALLOW EDIT – DON'T MAKE MANDATORY

RESIDENTIAL ADDRESS:

POSTAL ADDRESS:

PHONE:

MOBILE:

EMAIL:

Please nominate two people that you don't live with that could help us find you if you move in 2013?
SKIP IF NO NOMINATED CONTACTS

NOMINATED CONTACT 1

NAME:

RESIDENTIAL ADDRESS:

POSTAL ADDRESS:

PHONE:

MOBILE:

EMAIL:

RELATIONSHIP

NOMINATED CONTACT 2

NAME:

RESIDENTIAL ADDRESS:

POSTAL ADDRESS:

PHONE:

MOBILE:

EMAIL:

RELATIONSHIP:

CONSENT AND INCENTIVE PAYMENT

Could you please sign the consent form to confirm that you agreed to participate in the survey, and that I have provided you with the gift. Are you happy for us to contact you in about 2 years time to do the survey again? **INTERVIEWER GET PAPER CONSENT FORM AND ENTER OUTCOME**

1. Signed Consent form – Agreed for Wave 2
2. Signed Consent form – Did not agree for Wave 2
3. Did not sign consent form.

INTERVIEWER GAVE INCENTIVE AND ENTER OUTCOME

1. INCENTIVE GIVEN – Specify
2. NO INCENTIVE GIVEN

QUANTITATIVE SURVEY / QUALITATIVE SURVEY

1. 45 minutes – survey only
2. 60 minutes – survey and story

DISPLAY CASE NUMBER – INTERVIEWER TO RECORD THIS ON CONTACT SHEET
(cross reference for RESPONDENT ID and CASE NUMBER)

INTERVIEWER'S DECLARATION	
I certify that this is a true, accurate and complete interview, conducted in accordance with industry standards and the AMSRS Code of Professional Behaviour (ICC/ESOMAR). I will not disclose to any other person the content of this questionnaire or any other information relating to this project.	
Interviewer Name:	<drop down list>
Date:	<auto record>

QMS LOG OF CHANGES [IF RELEVANT]

Section	Details of Change/s	Date DD-MM-YY	By Whom
Q17a	Add a code 6 NEVER and terminate	29/11/11	M. Grey
Q28	Move to beginning of section H	1/12/11	Fahcsia
Q27aa	Change to 12 months	1/12/11	Fahcsia
Q27a Q27b	DELETE and INSERT NEW QUESTIONS	1/12/11	Fahcsia
Q27c	Add new question	1/12/11	Fahcsia
Q29	an approved Money Management Course	1/12/11	Fahcsia
Q29 and Q29e	did not ask for any wording changes here – please change back to original (the Matched Savings Plan)	2/12/11	FaHCSIA
Q27a	Change to read out	2/12/11	FaHCSIA
Q27b	item 1, Accessing the Approved Money Mgt course'	2/12/11	FaHCSIA
Q29	Instead, at Q29, please specify that this includes 'a Moneyminded or Moneybusiness course'.	2/12/11	FaHCSIA
Q27	– item 2, is really about 'dealing with centrelink'.	2/12/11	FaHCSIA
Q28.3	TYPO 'FEEL' not 'fell'.	2/12/11	FaHCSIA

Appendix D. QUALITATIVE METHODOLOGY

In depth Interviews with income management participants – Wave 1 (2011/12)

In depth interviews with 100 of the income management participants involved in the face to face survey.

The focus of these depth interviews is to explore in more depth:

- the impact of income management on families
- how families and households manage money and the BasicsCard
- whether they share resources
- the impact of income management on their families.

Qualitative responses recorded in relation to responses to the quantitative survey.

Issues raised by the participant in the quantitative interview regarding the main areas of the survey:

- experiences of income management
- wellbeing and participation
- children's wellbeing
- community
- changes since income management (self, family, community)
- experiences of Centrelink
- use and views of other services including money management, family support, counselling etc.
- Matched Savings, exemptions etc.
- misunderstandings and miscommunications about income management (from family, community, service providers).

These will be topics raised by participant.

In depth follow up interviews focused on experiences of the BasicsCard

- how/why they started using BasicsCard and were subject to income management
- motivation to apply for exemption and experiences of applying
- frustrations and anxiety felt using and understanding income management.

There will also be overall community summaries from the teams who visit each location which will add to the qualitative information.

Appendix E. CENTRELINK DATASETS USED FOR THE ANALYSIS OF EXEMPTIONS

The analysis of exemptions, as well as some elements of the analysis in Chapter 4, is based upon two datasets provided to the evaluation team by FaHCSIA and produced by Centrelink.

These datasets are extracts from the Centrelink administrative system and have been provided to the team in a confidentialised format which excludes personal identifiers such as names, addresses and client reference numbers. Further to maintain the security of this information, analysis has only been undertaken in secure data facilities.

Two datasets have been provided. Each of these has been produced approximately quarterly as at: 10 July 2010; 29 October 2010; 25 February 2011; 29 July 2011 and 28 October 2011.

The first dataset, referred to here as the 'Income Management Dataset' contains records of all persons who have been subject to income management at any time up to the point at which the data set has been created. The second contains records of all persons in receipt of either an income support payment or Family Tax Benefit at the time of extraction. This has been referred to as the 'Income Support/Family Tax Benefit Dataset'.

For the analysis these two datasets have been merged¹³⁴ to enable the analysis to draw upon the wider set of characteristics each contains. In a small number of cases both datasets contain variables which purport to represent the same characteristic, such as the payment which is made to an individual, but where the information differs. On the whole these differences are very small and do not materially affect results, but may result in slight differences between tables.

Such discrepancies arise from minor differences in timing and in the way the different datasets are created.

¹³⁴ An anonymous key has been provided which allows the datasets to be merged with each other and over time.

Appendix F. FINANCIAL VULNERABILITY TEST

The Guide to Social Security Law (Australian Government, 2012) details the way in which the financial viability test is operationalized by Centrelink, identifying the issues which a Centrelink Officer should discuss with the person making an application for an exemption and the types of evidence they should consider in taking a decision. This is shown below:

Guidelines for the assessment of Financial Vulnerability

Factor	Discussion points with person	Evidence
Principle: Person has been applying appropriate resources to meet priority needs.		
Income management allocations.	<ul style="list-style-type: none"> - If income management expenses were regularly changed, what was the reason for this? - If the expenses were never changed, why not? - Was the person meeting priority needs with their discretionary income? - Will the person be able to manage their money to meet their priority needs without income management? - How does the person intend to meet their priority needs without income management? - Does the person intend to continue to pay for the things that were being paid for by income management or do they intend to stop paying for these things? If so, why? 	<ul style="list-style-type: none"> - Are or were there regular allocations in place for a variety of priority needs? - How are/were the person's priority needs being met?
Principle: Person had control over their money & was not subject to financial exploitation.		
Financial exploitation.	<ul style="list-style-type: none"> - Why does the person have a password protected or a deny access record? - Has the issue been resolved? - Does the person find it difficult to say no to some family members or others when asked for money? - Does the person need to hide money or have secret money? - Is the person having trouble meeting their priority needs or making their money last from one pay to the next because they are paying things for other people or giving other people their money? - Have third parties been contacting Centrelink regarding the person? - Why have third parties been contacting Centrelink? Has this been at the request of the person? - Was the person aware that third parties had been contacting Centrelink? 	<ul style="list-style-type: none"> - Password protected Centrelink record. - Deny access record. - Evidence of denied contact from third parties. - Evidence of financial exploitation.
Principle: Person had stable payment patterns, budgeting practices & is meeting priority needs from their income support & family assistance payments.		
Use of Centrepay.	<ul style="list-style-type: none"> - Has the person used Centrepay previously? - If Centrepay arrangements have been started and then stopped, what was the reason for this? - Has the person enquired about Centrepay but found that the third party organisation is not registered? - Was the person aware of Centrepay options? - If the person has not used Centrepay was this because they were able to pay their bills on time without it? 	<ul style="list-style-type: none"> - Current or previous Centrepay arrangements. - Length of time using Centrepay arrangements. - Evidence of frequent changes to Centrepay - ons and offs.
Money management courses.	<ul style="list-style-type: none"> - Has the person completed an Approved Money Management course? 	Grant of MSP. Previous referrals coded in the

Factor	Discussion points with person	Evidence
	<ul style="list-style-type: none"> - Did the person develop a personal budget as a result of attending this course? - Did the person stick to the budget or achieve any financial goals (significant purchases e.g. white goods, saving money for a specific purpose etc.) as a result of attending the course? 	referrals cluster.
Demonstrated budgeting and savings.	<ul style="list-style-type: none"> - Does the person have a budget? - Does the person have any financial goals and a plan for achieving them? - Has the person been evicted for not paying rent in the last 12 months? If so, how did this come about? - Has the person had a service or utility disconnected in the last 12 months? If so, how did this come about? - Has the person used lay-by to purchase any significant items (e.g. white goods) in the last 12 months? - Does the person have any regular payment set up outside of Centrepay or income management - such as direct credit instalment payment of utilities etc.? - How does the person plan to pay for large bills like car registration or winter gas/electricity bills? - Does the person have a good idea about what all their expenses are and how much income they have each week/fortnight? - Does the person have unpaid fines or significant debts? 	Evidence of budgeting activity.
BasicsCard declined transactions (incurred at the fault of the person).	<ul style="list-style-type: none"> - Why has the person had a high number of declined transactions? - How does the person typically plan to pay for groceries each week/fortnight? - Is money set aside or does the person spend what's left on their card? - When the person goes shopping, do they have a good idea about what they need and how much it's going to cost? - When the person has insufficient funds to purchase all the things they want, how do they decide what to buy and what to put back (are essential food items being covered)? - Why has the person had a high number of declined transactions? - How does the person typically plan to pay for groceries each week/fortnight? - Is money set aside or does the person spend what's left on their card? - When the person goes shopping, do they have a good idea about what they need and how much it's going to cost? - When the person has insufficient funds to purchase all the things they want, how do they decide what to buy and what to put back (are essential food items being covered)? 	Evidence of high number of declined transactions (incurred at the fault of the person).
Replacement BasicsCards.	<ul style="list-style-type: none"> - What are the reasons why the person has needed replacement BasicsCards? - Has the person given their personal identification number (PIN) to anyone else and had money taken from their account without their permission? - Does the person use book-up and leave their card at the shop? - Do people take and use their card without their permission? 	Evidence of frequent replacement BasicsCards.

Factor	Discussion points with person	Evidence
Principle: Person did not regularly require urgent funds to pay for foreseeable costs, or did not frequently change their income support pay dates & consideration is given to the reason for seeking the urgent payment.		
Urgent payments.	<ul style="list-style-type: none"> - Is there a pattern suggesting that the person is applying for urgent payments for the same things each time - late rent, utility bills, public transport costs etc.? - Does the urgent funds application relate to expenditure that the person could have foreseen and planned for? - If the urgent payment applications have been rejected, what were the reasons? 	Urgent payment applications that have been granted or rejected in the last 12 months.
Change of payday code.	<ul style="list-style-type: none"> - What are the reasons for the payday code changes? 	Evidence of frequent payday code changes.

Source: Australian Government (2012), Section 11.1.14.

Appendix G. TERMS AND CONDITIONS FOR BASICS CARD

BASICSCARD TERMS AND CONDITIONS

1. Introduction

1.1 About these terms and conditions

These are the terms and conditions of use of your BasicsCard.

By accepting and using your BasicsCard, you agree with Centrelink that you will comply with these terms and conditions.

It is important that you read all of these terms and conditions as they contain information about your responsibilities and liabilities in relation to your BasicsCard.

1.2 Changes to these terms and conditions

Centrelink may change these terms and conditions at any time without your consent, but will give you at least 20 days written notice before doing so.

1.3 Definitions

In these terms and conditions:

This term	means...
Approved Merchant	a provider of goods or services who has been approved by Centrelink to accept a BasicsCard as payment. (See paragraph 3.5 below).
Card Balance	the amount recorded as available for you to spend using your BasicsCard. It can be increased or decreased by Centrelink as set out in these terms and conditions.
Income Management Account	Centrelink's record of your income managed funds. It is not a bank account.
PIN	the personal identification number for use with your BasicsCard.

1.4 EFT Code of Conduct

Centrelink warrants that it will comply with the applicable requirements of the Electronic Funds Transfer Code of Conduct.

2. About your BasicsCard

2.1 What is the BasicsCard?

Centrelink has provided your BasicsCard¹ for you to buy priority goods and services, such as food, clothing, medicine and household goods from Approved Merchants.

Your BasicsCard is not a credit card or bank account. It allows you to spend money which Centrelink has paid on to your BasicsCard out of available funds in your Income Management Account.

Please note that your BasicsCard remains the property of Centrelink at all times, and is not transferable to another person. You are not permitted to have more than one active BasicsCard.

2.2 How are your income managed funds paid to your BasicsCard?

After activating your BasicsCard, Centrelink will put money on your BasicsCard from time to time. Centrelink pays this out of available funds in your Income Management Account. When this happens, your Card Balance increases.

Centrelink will increase your Card Balance when you ask, provided you have enough available funds in your Income Management Account.

2.3 Can money be put back into your Income Management Account?

These terms and conditions specify times when Centrelink will pay some or all of your Card Balance back to your

Income Management Account. You irrevocably authorise Centrelink to do this without prior notice to you and without your consent. When this happens, your Card Balance decreases.

2.4 What is your PIN?

A PIN is the 4-digit number that you must enter at a merchant terminal when using your BasicsCard.

You must select a PIN when you first receive your BasicsCard. You also can change your PIN by contacting Centrelink.

You can only use your BasicsCard with a PIN.

To select or change your PIN, you should use a number that will be difficult for someone else to guess (for example, do not use your birth date or a number like 1234 or 1111). If you keep a record of your PIN, you must take reasonable steps to prevent someone else seeing the record and working out your PIN.

Important information about keeping your PIN secure is set out in paragraph 6.2 below.

If you forget your PIN, you should contact Centrelink.

2.5 Is interest paid on your Card Balance?

No interest is paid on your Card Balance.

2.6 What fees and charges are there?

Centrelink does not impose any fees or charges for your BasicsCard or your Card Balance.

3. Using your BasicsCard

3.1 When can you start to use your BasicsCard?

You can use your BasicsCard once Centrelink has activated it and has paid money onto it out of available funds in your Income Management Account.

3.2 How much can be put on your BasicsCard?

Generally, your Card Balance will not exceed \$3000 (or another amount set by Centrelink from time to time). If your Card Balance exceeds the amount set by Centrelink, Centrelink may pay the excess amount of Card Balance back into your Income Management Account. If this happens, your Card Balance will be reduced so there is no longer an excess.

3.3 How much can you spend? What is your daily spend limit?

You can only use your BasicsCard to spend:

- up to the Card Balance at the time (this means your Card Balance must not be a negative amount); and
- up to the daily spend limit (\$1,500 in a set 24 hour period).

Centrelink may, at any time, change the daily spend limit by notifying you of the new limit.

3.4 How to find out the Card Balance and daily spend limit

To find out your Card Balance and remaining daily spend limit at any time, please contact Centrelink.

If you think that the Card Balance amount is not correct, you should contact Centrelink as soon as possible.

3.5 Using your BasicsCard

Your BasicsCard can only be used at Approved Merchants.

Approved Merchants will normally display the BasicsCard logo at their premises and at the cash registers where the BasicsCard can be used.

You may be required to spend a minimum of \$5 at an Approved Merchant if you are using your BasicsCard.

You may use your BasicsCard to make a "lay-by" payment (where the price is paid over time and the goods are not

¹ Centrelink has arranged with a private contractor to issue your BasicsCard so that it can be used with a PIN at Approved Merchants through the electronic payment system.

provided to you until the price is fully paid) if the Merchant provides you with:

- (a) a document setting out the Merchant's terms and conditions of the lay-by service; and
- (b) a detailed lay-by docket for the particular lay-by purchase stating:
 - (i) the deposit amount; (ii) the duration of the lay-by period; (iii) the frequency and minimum amount of payments required; and (iv) the Merchant's lay-by cancellation policy (including refunds of deposits or any payments made).

3.6 You cannot use your BasicsCard for some things

You may not be able to use your BasicsCard to buy all goods or services offered at an Approved Merchant. For example, some petrol stations will only sell petroleum or fuel products, or automotive goods and services for a BasicsCard transaction.

Your BasicsCard cannot be used to purchase the following excluded goods or excluded services:

Excluded goods	Excluded services
<ul style="list-style-type: none"> <input type="checkbox"/> alcoholic beverages <input type="checkbox"/> tobacco products <input type="checkbox"/> pornographic material <input type="checkbox"/> gambling products.: and <input type="checkbox"/> other goods specified in a legislative instrument made by the Minister. 	<ul style="list-style-type: none"> <input type="checkbox"/> gambling and <input type="checkbox"/> other services specified in a legislative instrument made by the Minister.

You cannot use your BasicsCard or any Card Balance:

- (a) at an ATM;
- (b) for "cash out" transactions;
- (c) to buy gift or store cards or vouchers;
- (d) for instalment payments on goods and services;
- (e) for lay-by payments if the lay-by does not comply with the requirements set out in paragraph 3.5;
- (f) to repay any debts or credit (including to repay any amount owing as part of a "book-up" arrangement);
- (g) for any unlawful purpose, including the purchase of goods or services prohibited by law;
- (h) as security or collateral for any obligation (financial or otherwise) owed by you or any other person (such as where someone provides you with goods or services on credit and holds your BasicsCard and PIN until the purchase price is paid), including as part of a "book-up" arrangement;
- (i) at merchants that are not Approved Merchants;
- (j) where you are not present at the Approved Merchant with your BasicsCard - for example, internet, mail order or telephone-based purchases, direct debit transactions, BPAY transactions and similar transactions;
- (k) for transferring any funds; or
- (l) where a signature is required to use the BasicsCard.

3.7 What happens when you buy goods or services?

Each time you use your BasicsCard to buy goods or services, the electronic payment system will be used to check that:

- (a) your BasicsCard is active;
- (b) the correct PIN has been entered on the terminal;
- (c) there is enough Card Balance to pay for the goods or services; and
- (d) your daily spend limit will not be exceeded (see paragraph 3.3 above).

If the transaction is approved, your Card Balance will be reduced by the amount you spent.

You will receive a receipt from the merchant which records the information about your transaction. You should keep these receipts in case you need to request a refund or check your transactions later.

3.8 What if a signature is required or the payment system is down?

You should never use your BasicsCard if a signature is required for the transaction, or if you are aware that the electronic payment system is not working or it fails to process a transaction using your BasicsCard.

3.9 What happens with refunds?

Any refund for a sales transaction completed using a BasicsCard must be refunded to your BasicsCard. This means the refund amount will be added back to your Card Balance. No amount can be refunded as cash.

4. BasicsCard statements

Centrelink will make available to you a statement of transactions on your BasicsCard every 3 months, or on request by contacting Centrelink.

You should check each statement for errors or unauthorised transactions. If you think there was an error or unauthorised transaction, you should contact Centrelink as soon as possible.

5. Card expiry, cancellation and suspension

5.1 When does your BasicsCard expire? How do you get a new one?

Your BasicsCard will expire on the last day of the month specified in the expiry date. For example, an expiry date of 06/13 means your BasicsCard will expire on 30 June 2013.

You cannot use your BasicsCard after the expiry date printed on your BasicsCard. On expiry, you should contact Centrelink for a new BasicsCard, or to talk about other ways to access your income managed funds.

If your BasicsCard expires and you do not get a new BasicsCard, Centrelink will pay all of your Card Balance back to your Income Management Account. If this happens, your Card Balance then will be zero (\$0).

5.2 How do you cancel your BasicsCard?

You can cancel your BasicsCard by contacting Centrelink.

If you cancel your BasicsCard, Centrelink will pay all of your Card Balance back to your Income Management Account. If this happens, your Card Balance then will be zero (\$0).

5.3 Centrelink may cancel your BasicsCard

Centrelink may, in its discretion, at any time and without prior notice to you, cancel your BasicsCard. Centrelink will notify you as soon as possible after cancelling your BasicsCard.

If Centrelink cancels your BasicsCard, Centrelink will pay all of your Card Balance back to your Income

Management Account. If this happens, your Card Balance then will be zero (\$0).

5.4 Centrelink may suspend or block use of your BasicsCard

Centrelink may, in its discretion, at any time and without prior notice to you, suspend or block use of your BasicsCard. Centrelink will notify you as soon as possible after suspending or blocking use of your BasicsCard.

If Centrelink suspends or blocks use of your BasicsCard, you will not be able to use your BasicsCard while the suspension or block is in place.

If your BasicsCard does not work, you should contact Centrelink as soon as possible.

6. Your responsibilities and liabilities

6.1 Your responsibilities

You agree:

- (a) not to use your BasicsCard in breach of these terms and conditions;
- (b) to keep your BasicsCard in a safe place, and take care to protect it from being lost or stolen;
- (c) to take reasonable care when using any terminals to ensure your PIN is not revealed to any other person;
- (d) to notify Centrelink as soon as possible if you believe that your BasicsCard has been misused, damaged, lost, stolen, or that your PIN security has been breached (see paragraph 8 below); and
- (e) to destroy your BasicsCard upon:
 - (i) expiry of your BasicsCard;
 - (ii) notice from Centrelink cancelling your BasicsCard; or

- (iii) receiving a new BasicsCard.

6.2 Your responsibilities with respect to security

You must keep your BasicsCard and PIN secure. You should not let anyone else use your BasicsCard and take reasonable steps to protect your card from loss, theft or misuse.

This means that you must not:

- (a) sell, barter or give away your BasicsCard – your BasicsCard is not transferable;
- (b) leave your BasicsCard at a merchant, for convenience or any other reason;
- (c) tell your PIN to anyone, including a family member or friend;
- (d) record your PIN on your BasicsCard or on anything carried with your BasicsCard which is at risk of loss or theft;
- (e) be careless in the way you use your PIN which may reveal your PIN to other people;
- (f) select a PIN based on your birth date, your Centrelink Customer Reference Number, your phone number or an alphabetical code that is a recognisable part of your name; or
- (g) let anyone else use your BasicsCard.

6.3 Your responsibility for unauthorised transactions

An "unauthorised transaction" is a transaction with your BasicsCard that you did not authorise. It does not include a transaction carried out by you or with your knowledge and consent.

Where Centrelink can prove, on the balance of probability, that you contributed to an unauthorised transaction being conducted with your BasicsCard, you will be responsible for

the amount of Card Balance used in the transaction.

You may be considered to have contributed to an unauthorised transaction if you:

- (a) engaged in fraud;
- (b) did anything prohibited under paragraph 6.2;
- (c) acted with extreme carelessness in failing to protect your PIN; or
- (d) unreasonably delayed notifying Centrelink of the misuse, loss or theft of your BasicsCard or the fact that your PIN has become known to someone else.

This means that you can be responsible for an unauthorised transaction using your BasicsCard, even if you did not conduct or authorise the transaction.

Where you contributed to an unauthorised transaction, you will not be responsible for:

- (e) unauthorised transactions after you notify Centrelink that your BasicsCard has been misused, lost or stolen;
- (f) unauthorised transactions in excess of your Card Balance; or
- (g) unauthorised transactions on any single day to the extent that they exceed your daily spend limit (see paragraph 3.3 above).

6.4 What if it is not clear whether you contributed to an unauthorised transaction?

If it is unclear whether or not you contributed to an unauthorised transaction being conducted with your BasicsCard *and* your PIN was correctly entered to conduct the unauthorised transaction, the amount of any used Card Balance that you will be responsible for is the least of the following amounts:

- (a) \$150;
- (b) the amount of your Card Balance; or
- (c) the actual amount of Card Balance used at the time you notified Centrelink that your BasicsCard has been misused, lost or stolen.

7. Centrelink's Responsibilities

7.1 When Centrelink will arrange for used Card Balance to be credited back to your BasicsCard

Where it is clear that you did not contribute to an unauthorised transaction, Centrelink will arrange for any used Card Balance amount to be credited back to your BasicsCard.

Centrelink also will arrange for any used Card Balance amount to be credited back to your BasicsCard if Centrelink is satisfied (acting reasonably and following an investigation) that your BasicsCard has been used as a result of:

- (a) the fraudulent or negligent conduct of Centrelink employees or agents or of companies involved in networking arrangements or of merchants who are linked to the electronic payment system or of their employees or agents;
- (b) a failed or defective BasicsCard transaction due to your BasicsCard or the merchant terminal being faulty or malfunctioning;
- (c) transactions that occurred before you received your BasicsCard and PIN;
- (d) the same transaction being incorrectly attributed more than once to your BasicsCard; or
- (e) unauthorised transactions occurring after Centrelink

receives notification that your BasicsCard has been misused, lost, stolen, cancelled or that the security of your PIN has been breached.

7.2 Lost or stolen cards – unsuccessful notification to Centrelink

Centrelink will arrange for any used Card Balance amount to be credited back to your BasicsCard where Centrelink is satisfied, acting reasonably, that the Card Balance was used in circumstances where:

- (a) your BasicsCard has been lost or stolen; and
- (b) you tried to notify Centrelink (see paragraph 8 below) by telephone on 13 3594 but were unsuccessful due to a failure of Centrelink's systems; and
- (c) the amount used was for an unauthorised transaction completed using your BasicsCard after the time you attempted to notify Centrelink; and
- (d) within a reasonable time, you notified Centrelink in person at a Centrelink office (or where the 13 2594 phone number again becomes available, by telephone) that your BasicsCard was lost or stolen.

7.3 Centrelink not liable for certain matters

Centrelink will not be liable or responsible:

- (a) if an Approved Merchant does not accept your BasicsCard; or
- (b) for any goods or services obtained using your BasicsCard; or
- (c) to the extent you are responsible for an unauthorised transaction (see paragraph 6 above).

8. Lost, Stolen, Misused or Damaged BasicsCards

If you believe your BasicsCard has been misused, damaged, lost, stolen, or that your PIN has become known by someone else (including a friend or relative), you must immediately contact Centrelink.

Centrelink will give you a receipt number, acknowledging your contact with Centrelink. You should retain the receipt number as evidence of the date and time of your notification.

Until you notify Centrelink that your BasicsCard has been lost or stolen, or that the security of your PIN has been compromised, you may be responsible for transactions completed using your BasicsCard and PIN.

Once Centrelink has been notified, Centrelink may arrange for your BasicsCard to be suspended or cancelled, in which case Centrelink will tell you about other ways to access your income managed funds.

9. Complaints

Any complaints about goods and services you have purchased with your BasicsCard should be resolved with the Approved Merchant.

If you have a complaint about the operation of your BasicsCard, you should contact Centrelink.

A copy of Centrelink's complaints process is available from any Centrelink office.

Normally, Centrelink will complete its investigation of your complaint and inform you of the outcome within 21 days of receiving your complaint. Unless there are exceptional circumstances, Centrelink will complete its investigation within 45 days of receiving your complaint. Where an investigation continues beyond 45 days, Centrelink

will explain the reasons for the delay, give you monthly updates on progress and provide a date when a decision can be expected.

If a complaint has not been resolved by Centrelink in your favour or if an investigation continues for more than 45 days, Centrelink will advise you of your right to complain to the Financial Ombudsman Service or the Commonwealth Ombudsman and provide you with appropriate contact information.

If you are not satisfied about the way in which your complaint has been resolved by Centrelink, you may contact the Financial Ombudsman Service or the Commonwealth Ombudsman (contact details are at the end of these terms and conditions).

10. Other important matters

10.1 Governing law

These terms and conditions are governed by the laws of the Australian Capital Territory.

10.2 Privacy

Centrelink has a legal obligation to comply with the *Privacy Act 1988* (Cth) as well as the confidentiality provisions contained in the legislation that Centrelink administers.

Centrelink will collect, use and disclose personal information about you relating to the use of your BasicsCard for the purposes of managing the operation and use of your BasicsCard and your Income Management Account and giving effect to these terms and conditions of use.

10.3 Regulatory matters

You acknowledge that:

- (a) transactions may be delayed, blocked or refused where there are reasonable grounds to believe that they breach Australian law or the law of any other country;

- (b) you may need to provide additional information in order to satisfy regulatory or compliance obligations relating to anti-money laundering or financing of terrorism; and
- (c) information about the use of your BasicsCard may be disclosed to regulatory or law enforcement agencies.

Further Information

How to contact Centrelink

If you want to receive additional information about your BasicsCard or Card Balance, call Centrelink on **13 2594** (this number is printed on your BasicsCard) or call **1800 057 111** or visit a Centrelink office or visit our website **www.centrelink.gov.au**.

Important: calls from your home phone to Centrelink “13” numbers from anywhere in Australia are charged at a fixed rate. That rate may vary from the price of a local call and may also vary between telephone service providers. Calls to “1800” numbers from your home phone are free. Calls from public and mobile phones may be timed and charged at a higher rate.

Lost, stolen or damaged cards

If your BasicsCard is lost or stolen, call Centrelink on **13 2594** as soon as possible. Centrelink will put a block on your BasicsCard so no one else can use it.

You will then have to go to your nearest Centrelink office to get a new BasicsCard and PIN number.

If your BasicsCard is damaged or not working, call Centrelink on **13 2594**.

Complaints

If you have a complaint about your BasicsCard that is not resolved to your satisfaction, you can:

- telephone Centrelink’s Customer Relations line: **FreeCALL™ 1800 050 004**
- telephone the TTY Customer Relations service: **FreeCALL™ 1800 000 567** (if you are deaf or have a hearing or speech impediment)
- write to Centrelink at the following address (no postage stamp required)

The Manager
Centrelink Customer Relations
Reply Paid 7788
Canberra Business Centre ACT 2610

If, having done this, your complaint is still not resolved to your satisfaction, you can contact the Financial Ombudsman Service on 1300 780 808 or the Commonwealth Ombudsman on **1300 362 072**. Both the Financial Ombudsman Service and the Commonwealth Ombudsman provide a free service.

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Appendix H. ATTITUDES TO CENTRELINK

Question 28 in the Longitudinal Survey on New Income Management asked people on income management in the Northern Territory and income support recipients resident in contrast sites a series of questions about how people felt about Centrelink and the way in which it treats its clients.

This data was collected for a number of reasons including the potential to control for peoples’ feelings about Centrelink when attempting to assess their views of income management, and to identify whether or not aspects of the relationship between Centrelink and its client population may impact on the effectiveness of the implementation of income management.

While this data has not been drawn upon in this phase of the evaluation, we recognise that it may be useful for others involved in trying to understand the impact of income management in the Northern Territory and for this reason it is presented below.

As with previous tables from the LSNIM, it is presented for Indigenous people subject to income management by whether they are on compulsory or voluntary streams of income management and whether they are in an NTER area or not.

Table H-1: Views about Centrelink, Northern Territory and contrast group respondents

Please tell us what you think about Centrelink Service. How often do you feel this way:	Income Managed				Non-Indigenous Compulsory	Contrast sites	
	Indigenous					Indigenous	Non-Indigenous
	Compulsory		Voluntary				
	NTER area	Not NTER	NTER area	Not NTER			
<i>I am treated with respect</i>							
All the time	53.4	48.8	49.6	54.5	48.6	53.4	67.6
Most of the time	15.5	21.1	15.4	27.3	31.3	18.5	21.3
Sometimes	28.6	19.3	32.5	12.1	16.2	24.9	11.1
Hardly ever	1.3	3.0	1.6	3.0	1.1	1.6	0.0
Never	1.3	7.8	0.8	3.0	2.8	1.6	0.0
<i>I feel my needs are met</i>							
All the time	54.2	46.7	48.4	57.6	40.8	52.6	63.9
Most of the time	18.8	21.2	25.0	21.2	29.1	14.7	23.1
Sometimes	25.4	15.2	25.0	12.1	16.8	29.5	12.0
Hardly ever	1.3	4.8	1.6	6.1	6.1	1.1	0.0
Never	0.4	12.1	0.0	3.0	7.3	2.1	0.9
<i>I feel more able to manage my money</i>							
All the time	46.8	32.5	40.7	37.5	37.1	60.1	60.2
Most of the time	22.4	19.9	34.1	28.1	16.3	21.8	22.2
Sometimes	27.0	19.9	24.4	25.0	8.4	14.9	10.2
Hardly ever	3.0	4.2	0.0	6.3	7.3	2.7	2.8
Never	0.8	23.5	0.8	3.1	30.9	0.5	4.6
<i>I would recommend the service to others</i>							
All the time	53.8	31.2	37.9	35.7	38.6	61.5	63.6
Most of the time	15.7	15.6	23.3	28.6	9.9	15.1	19.6
Sometimes	21.5	20.1	25.0	17.9	14.0	15.1	12.1
Hardly ever	2.2	2.6	3.4	0.0	2.9	1.7	1.9
Never	6.7	30.5	10.3	17.9	34.5	6.7	2.8
<i>I feel my privacy is respected</i>							
All the time	56.0	51.5	44.4	53.1	59.0	66.1	68.2
Most of the time	16.6	20.6	21.0	28.1	16.9	14.3	20.6
Sometimes	22.0	12.7	30.6	15.6	10.1	16.4	11.2
Hardly ever	2.9	3.0	0.8	0.0	4.5	2.1	0.0
Never	2.5	12.1	3.2	3.1	9.6	1.1	0.0
<i>They explain things well</i>							
All the time	60.3	53.6	52.4	46.9	45.9	66.1	70.4
Most of the time	17.8	19.9	21.8	34.4	23.2	13.0	18.5
Sometimes	19.8	12.7	21.8	12.5	14.4	17.7	11.1
Hardly ever	2.1	3.6	1.6	0.0	8.3	1.6	0.0
Never	0.0	10.2	2.4	6.3	8.3	1.6	0.0

Cont.

Table H-1 (cont): Views about Centrelink, Northern Territory and contrast group respondents

Please tell us what you think about Centrelink Service. How often do you feel this way:	Income Managed				Non-Indigenous Compulsory	Contrast sites	
	Indigenous					Indigenous	Non-Indigenous
	Compulsory		Voluntary				
	NTER area	Not NTER	NTER area	Not NTER			
They understand and respect my cultural and family obligations							
All the time	58.9	49.4	58.0	45.5	52.1	67.2	67.3
Most of the time	17.8	18.3	16.0	27.3	16.6	16.4	19.2
Sometimes	20.8	14.0	23.5	21.2	14.7	12.6	12.5
Hardly ever	1.7	4.3	0.8	3.0	4.3	1.6	0.0
Never	0.8	14.0	1.7	3.0	12.3	2.2	1.0
Number of respondents	243	167	128	33	184	200	108